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THE
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STATEMENT showing the Principal FIGURES in the INDIAN ACCOUNTS for 1883-84 and 1884-85, and Estimates for 1885-86 and 1886-87, with Explanations.

[The figures of the Accounts are given in the New Form, for the sake of comparison with the Estimates.]

£.1 is recorded for every 10 rupees, in respect of transactions in India, including those of Exchange.

REVENUE AND EXPENDITURE.	Accounts, 1883-84.	Accounts, 1884-85.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.	REMARKS.
	£.	£.	£.	£.	
Revenue - - - - -	71,842,000	70,691,000	73,601,000	75,799,000	The result of 1884-85 is worse than 1883-84, by 2,266,000 *l.* The estimated result of 1885-86 is worse than 1884-85, by 2,466,000 *l.* The estimated result of 1886-87 is better than 1885-86, by 3,034,000 *l.*
Expenditure charged on the Revenue of the Year.	69,962,000	71,077,000	76,453,000	75,617,000	
Surplus - - - - -	1,880,000	- -	- -	182,000	
Deficit - - - - - -	- -	386,000	2,852,000	—	
Actual Expenditure during the Year.	70,427,000	71,366,000	76,339,000	76,592,000	
Portion thereof spent by Provincial Governments from their Balances.	465,000	289,000	- -	975,000	In 1883-84 and 1884-85 the Provincial Governments spent, in addition to the income of the year, sums which had accumulated in their balances from the unspent income of former years; and a similar course is expected in 1886-87, in which year also a special contribution of 400,000 *l.* is to be made from the Provincial Balances in aid of the Imperial Government. In 1885-86, on the other hand, the Provincial Governments spent less than their income.
Allotments to Provincial Governments unspent by them.	- -	- -	114,000	- -	
	69,962,000	71,077,000	76,453,000	75,617,000	

COMPARISON of the ACCOUNTS of 1884-85, in the OLD and the NEW FORMS.

REVENUE AND EXPENDITURE.	OLD FORM.	NEW FORM.	REMARKS.
	£.	£.	
Revenue - - - - - - - -	70,616,000	70,691,000	The increase is in each case due to the method in which exchange is entered in the New Form of the Accounts.
Expenditure - - - - - - -	70,766,000	71,077,000	
Deficit - - - - - - -	150,000	386,000	
Capital Expenditure not charged against Revenue.	5,393,000	5,541,000	Including in both sums 1,315,000 *l.* involved in Redemption of Liabilities.

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STATEMENT showing the Principal Figures in the Indian Accounts for 1883-84 and 1884-85,

REVENUE.	Accounts, 1883-84.	Accounts, 1884-85.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.	REMARKS.
PRINCIPAL HEADS OF REVENUE:	£.	£.	£.	£.	
Land Revenue - - -	22,362,000	21,832,000	22,393,000	22,760,000	In British Burma and in Bombay the favourable season of 1883-84 enabled the cultivators to pay their dues with unusual ease, and fewer arrears were carried over to the next year; hence the receipts of 1883-84 were increased, and those of 1884-85 proportionately diminished. In the latter year also there was a falling off, especially in Madras, owing to deficiency of rain in some districts and to floods in others. The improvement in 1886-87 is due to the inclusion of Land Revenue to the amount of 515,000 *l.* in Upper Burma.
Opium - - - - -	9,557,000	8,817,000	8,915,000	9,228,000	The number of chests sold in Calcutta was reduced in August 1883 from 4,700 a month to 4,450, and in April 1884, it was further reduced to 3,800; but, in consequence of the increase of the reserve, it was raised to 4,166 in 1885, and 4,500 *in* 1886, and will, according to the Estimate, be increased to 5,000 in the first three months of 1887. The average price per chest was about 1,250 rupees in 1883-84, 1,296 rupees in 1884-85, and 1,235 rupees in 1885-86; and for 1886-87 it is estimated at an average of 1,200 rupees. The number of chests of Malwa opium paying duty was 38,586 in 1883-84, 39,039 in 1884-85, and is estimated at about 37,680 in 1885-86. The duty was reduced from 700 to 650 rupees in June 1882.
Salt - - - - -	6,145,000	6,507,000	6,310,000	6,393,000	The duty on salt is 2 rupees a maund throughout India (except in British Burma, where it is only 3 annas a maund, and the Trans-Indus districts, where also it is almost nominal). The salt trade was unusually brisk in 1884-85.
Stamps - - - - -	3,513,000	3,607,000	3,656,000	3,694,000	
Excise - - - -	3,837,000	4,012,000	4,119,000	4,135,000	Various improvements of administration in 1883-84 have tended to enhance the receipts.
Provincial Rates - - -	2,879,000	2,791,000	2,883,000	2,909,000	The bulk of the rates being levied on the land, they are affected in much the same way as the land revenue; the reduction in 1884-85 occurred chiefly in Madras, Bombay, and British Burma.

and Estimates for 1885-86 and 1886-87, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1883–84.	Accounts, 1884–85.	Revised Estimate, 1885–86.	Budget Estimate, 1886–87.	REMARKS.
DIRECT DEMANDS ON THE REVENUE:	£.	£.	£.	£.	
Refunds and Drawbacks -	388,000	201,000	232,000	207,000	In 1883–84 special refunds of land revenue were made in the Deccan and Southern Mahratta Country.
Assignments and Compensations.	1,239,000	1,275,000	1,342,000	1,301,000	The increase in 1884–85 was due to adjustments in connection with alienated lands in Bombay.
CHARGES IN RESPECT OF COLLECTION:					
Land Revenue - - - -	3,329,000	3,363,000	3,385,000	3,589,000	The increase in 1886–87 is chiefly due to provision for the collection in Upper Burma, and to extra work on the Revenue Survey in Bengal.
Opium - - - - - -	1,855,000	2,967,000	3,110,000	2,650,000	The crop of 1883 was very short. The crops of 1884 and 1885 were unusually large. The reserve is estimated at 29,200 chests on the 31st of December 1886.
Salt - - - - - -	448,000	449,000	481,000	497,000	The increase in 1885–86 is due to the re-organisation of the establishment in Madras, and to additional charges in Bombay.
Stamps - - - - -	115,000	141,000	147,000	153,000	In 1883–84 the supplies of stamps from England were smaller than usual.
Excise - - - - - -	92,000	104,000	89,000	106,000	The increase in 1884–85 was due mainly to the appointment of a Commissioner of Stamps, Excise, and Registration, in British Burma, and to a revision of establishments in Bombay.
Provincial Rates - - -	55,000	51,000	47,000	47,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1883-84 and 1884-85,

REVENUE.	Accounts, 1883-84.	Accounts, 1884-85.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.	REMARKS.
PRINCIPAL HEADS OF REVENUE—*continued.*	£.	£.	£.	£.	
Customs - - - - -	1,187,000	1,030,000	1,147,000	1,173,000	The reduction in 1884-85 was mainly due to diminished exports of rice from India.
Assessed Taxes - - -	526,000	512,000	515,000	1,458,000	On 1st April 1886, in lieu of the previously existing License Tax, an Income Tax of 5 pies in the rupee (equal to 6¼ *d.* in the £., or 2·6 per cent.) was imposed on incomes of or above 2,000 rupees a year; and a tax of 4 pies in the rupee (equal to 5 *d.* in the £., or about 2 per cent.) on incomes below 2,000 rupees, and not less than 500 rupees a year, if derived from salaries, pensions, profits of companies, or interest on securities. Other incomes were assessed on a scale varying from 1⅓ to 2⅔ per cent. Incomes derived from agriculture, being already liable to pay the tax imposed on land in 1877-78, were exempted from this Income Tax.
Forest - - - - - -	1,053,000	987,000	1,052,000	1,153,000	The falling off in 1884-85 was due to the reduction of the price of teak in British Burma. The increase in 1886-87 is chiefly in Upper Burma.
Registration - - - -	259,000	287,000	304,000	310,000	
Tributes from Native States -	721,000	699,000	694,000	712,000	In 1883-84 some exceptional fees were received on successions in Bundelkhand.
TOTAL - - - £.	52,039,000	51,081,000	51,988,000	53,925,000	
INTEREST - - - - -	856,000	711,000	691,000	644,000	In 1883-84 there was an exceptional receipt of 130,000 *l.*, on account of arrears of interest from the Prince's Dock at Bombay.
POST OFFICE, TELEGRAPH, AND MINT.					
Post Office - - - - -	1,019,000	1,047,000	1,103,000	1,157,000	The revenue is steadily increasing, as well as the expenditure.
Telegraph - - - - -	527,000	571,000	622,000	576,000	Certain recoveries from Railways were postponed in 1883-84. In 1885-86 there was increased traffic by the Indo-European route, consequent on a break-down on the Eastern Telegraph Company's line.
Mint - - - - - -	131,000	180,000	268,000	181,000	The coinage of silver in 1883-84 was small, and in 1885-86 unusually large.
TOTAL - - - £.	1,677,000	1,798,000	1,993,000	1,914,000	

and Estimates for 1885-86 and 1886-87, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1883-84.	Accounts, 1884-85.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.	REMARKS.
DIRECT DEMANDS ON THE REVENUE—*contd.*					
CHARGES IN RESPECT OF COLLECTION—*contd.*	£.	£.	£.	£.	
Customs - - - - -	139,000	137,000	131,000	133,000	
Assessed Taxes - - -	13,000	13,000	13,000	59,000	The increase in 1885-86 arises from the new Income Tax Act.
Forest - - - - -	651,000	679,000	699,000	742,000	The increase in 1884-85 was mainly caused by a reorganization of the department in Bombay. That in 1886-87 is due to the inclusion of Upper Burma.
Registration - - -	167,000	179,000	185,000	191,000	
TOTAL - - - £.	8,491,000	9,559,000	9,861,000	9,675,000	
INTEREST:					
Interest on Debt, other than that charged to Railways and Irrigation Works.	4,066,000	4,137,000	3,858,000	3,886,000	The reduction in 1885-86 arises from the capital outlay on Railways and Irrigation Works, the amount of debt equivalent to which is charged to those works, being in excess of the net amount of debt incurred.
Interest on other Obligations	459,000	483,000	459,000	364,000	The reduction in 1886-87 arises mainly from the transfer of the Bengal Civil Fund to the Government, and the consequent discontinuance of interest on its assets.
TOTAL - - - £.	4,525,000	4,620,000	4,317,000	4,250,000	
POST OFFICE, TELEGRAPH, AND MINT.					
Post Office - - - -	1,259,000	1,271,000	1,298,000	1,354,000	
Telegraph - - - -	698,000	788,000	890,000	780,000	The increase in 1884-85 and 1885-86 occurred on capital account, and was due to the great extension of the lines in connection with the new railways, and in the latter year to the laying of a new cable in the Persian Gulf.
Mint - - - - -	81,000	86,000	127,000	94,000	The coinage in 1885-86 was unusually large.
TOTAL - - - £.	2,038,000	2,145,000	2,315,000	2,228,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1883–84 and 1884–85,

REVENUE.	Accounts, 1883–84.	Accounts, 1884–85.	Revised Estimate, 1885–86.	Budget Estimate, 1886–87.	REMARKS.
CIVIL DEPARTMENTS:	£.	£.	£.	£.	
Law and Justice - - -	574,000	546,000	562,000	576,000	The reduction in 1884–85 was mainly due to the absence of lapses of estates in Bengal, to smaller receipts in cash from court fees, and to diminished sales of produce in Port Blair.
Police - - - - -	312,000	320,000	323,000	322,000	
Marine - - - - -	193,000	166,000	221,000	185,000	The reduction in 1884–85 is due to depression of trade affecting the pilotage and light dues, and to less work being performed for other departments in the dockyards.
Education - - - -	204,000	203,000	194,000	204,000	
Medical - - - - -	56,000	53,000	57,000	58,000	
Scientific and other Minor Departments.	90,000	85,000	82,000	89,000	
TOTAL - - - £.	1,429,000	1,373,000	1,439,000	1,434,000	
MISCELLANEOUS:					
Superannuation - - -	325,000	321,000	410,000	393,000	The increase in 1885–86 is due to the transfer of the Bengal Civil Fund to the Government.
Stationery and Printing -	51,000	48,000	51,000	71,000	
Exchange - - - -	61,000	12,000	260,000	- -	The entry under Exchange is the net result of the Government undertaking the duty of making remittances on various accounts at *specified* rates. The large receipt in 1885–86 is consequent on the transactions with railway companies. In 1886–87 the gain anticipated on the same account will be more than counterbalanced by the charge involved in the repayment in England of the 4 per cent. Rupee Transfer Loan of 1854, at the rate of 2*s.* 1*d.* the sicca rupee.
Miscellaneous - - -	311,000	343,000	355,000	299,000	The receipts from lapsed deposits were unusually high in 1884–85, owing to the balances of the late Government Agency having been written off as escheats.
TOTAL - - - £.	748,000	724,000	1,076,000	763,000	

and Estimates for 1885–86 and 1886–87, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1883–84.	Accounts, 1884–85.	Revised Estimate, 1885–86.	Budget Estimate, 1886–87.	REMARKS.
CIVIL DEPARTMENTS:	£.	£.	£.	£.	
General Administration -	1,653,000	1,667,000	1,731,000	1,744,000	The increase in 1885–86 is partly attributable to the cost of telegrams and currency notes and to the fall in exchange, and is partly due to the transfer of the charges for patwaris, or village accountants, to this head from Land Revenue and Provincial Rates.
Law and Justice - - -	3,239,000	3,306,000	3,345,000	3,470,000	The increase in 1884–85 was mainly due to the appointment of three new judges to the High Court at Calcutta, and of additional civil and Sessions judges and establishments in Bengal, to the payment of acting allowances during the absence of judges in Bombay and the Punjab, and to an enlargement of the Judicial establishment and reorganisation of the Commission in the Punjab. In 1886–87 the increase is due to the provision for criminal courts and gaols in Upper Burma and to changes in the establishments in the Punjab and Central Provinces.
Police - - - - -	2,761,000	2,833,000	2,843,000	3,018,000	The increase in 1884–85 arises chiefly in the district police in Bengal, the North West Provinces, and Bombay. In 1886–87 it is caused mainly by the provision for Upper Burma.
Marine - - - -	635,000	532,000	524,000	659,000	In 1883–84 were included 41,000 *l.* for payments deferred from previous years, on account of the contribution towards the cost of Her Majesty's ships in Indian seas, and 60,000 *l.* for the purchase in India of a new troopship, the "Canning." In 1886–87 provision is made for a new vessel to be constructed in England, for steamers and launches in Upper Burma, and for the fall in exchange.
Education - - - -	1,184,000	1,239,000	1,248,000	1,326,000	The increase in 1884–85 occurs chiefly under grants-in-aid in Bengal. In 1886–87 it is general, but mainly in Bombay.
Ecclesiastical - - -	159,000	166,000	166,000	173,000	
Medical - - - -	718,000	744,000	753,000	789,000	The increase in 1884–85 was chiefly under hospitals and dispensaries.
Political - - - -	539,000	799,000	1,131,000	682,000	In 1884–85 there was a payment of 125,000*l.* for political subsidies, principally on account of the Ameer of Cabul, and of 186,000*l.* for the Afghan Delimitation Commission. Of the increase in 1885–86, 200,000*l.* is due to extra subsidies to the Ameer, 190,000*l.* to the Delimitation Commission, 15,000*l.* to presents to native chiefs, and 29,000*l.* to the Rawal Pindi durbar.
Scientific and other Minor Departments.	474,000	457,000	489,000	494,000	In 1885–86 there is an increase of 21,000 *l.* for Survey Charges, and in Bombay 10,500*l.* was provided for the Exhibitions in London and Antwerp.
TOTAL - - - £.	11,362,000	11,743,000	12,230,000	12,355,000	
MISCELLANEOUS:					
Territorial and Political Pensions.	768,000	671,000	657,000	674,000	In 1883–84 a special advance of 44,000*l.* was made to Maharajah Duleep Singh, and various minor pensions were commuted.
Civil Furlough Allowances -	270,000	261,000	264,000	300,000	
Superannuation - - -	2,480,000	2,546,000	2,767,000	2,839,000	The increase is mainly due to the fall in exchange, but also in 1885–86 to the transfer of the Bengal Civil Fund to the Government.
Stationery and Printing -	511,000	545,000	511,000	556,000	
Exchange - - - -	- -	- -	- -	138,000	*See* Note on the Revenue side.
Miscellaneous - - -	275,000	293,000	323,000	342,000	In 1884–85 special payments were made on account of compensation for damage and detention of petroleum in Calcutta.
TOTAL - - - £.	4,304,000	4,316,000	4,522,000	4,849,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1883–84 and 1884–85,

REVENUE.	Accounts, 1883–84.	Accounts. 1884–85.	Revised Estimate, 1885–86.	Budget Estimate, 1886–87.	REMARKS.
	£.	£.	£.	£.	
RAILWAYS:					
State Railways (Gross Earnings).	8,269,000	8,419,000	9,805,000	10,841,000	In 1884–85 improvements occurred of 34,000 *l.* on the Rajputana Malwa (including the Rewari-Firozpur), 99,000 *l.* on the Indus Valley (including the Sindh-Pishin), 49,000 *l.* on the Burma, 27,000 *l.* on the Tirhoot, 35,000 *l.* on the Cawnpore-Achnera, 18,000 *l.* on the Punjab Northern, and 20,000 *l.* on the newly opened Amritsar-Pathankot Railway. On the East Indian Railway there was a reduction of 689,000 *l.* in consequence of the depression in trade, particularly in wheat. Owing to the purchase of the Eastern Bengal Line, the receipts for one quarter, 454,000 *l.*, were included under the head of State Railways, which also comprises 33,000 *l.* on the Southern-Mahratta Railway. In 1885–86 the chief improvements are 390,000 *l.* on the East Indian, 251,000 *l.* on the Rajputana-Malwa, 623,000 *l.* on the North Western (of which 260,000 *l.* is due to the purchase of the Scinde Railway), 67,000 *l.* on the Southern Mahratta, and 20,000 *l.* on the Burma lines, while 53,000 *l.* is added by including the Bengal Central as a State Railway. In 1886-87 there is an increase of 700,000 *l.* on the North Western Railway, owing to the inclusion of the gross earnings of the Scinde line for the whole year; the rest of the improvement is anticipated chiefly on the Eastern Bengal (97,000 *l.*), Southern Mahratta (60,000 *l.*), and East Indian lines (50,000 *l.*).

and Estimates for 1885–86 and 1886–87, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1883–84.	Accounts, 1884–85.	Revised Estimate, 1885–86.	Budget Estimate, 1886–87.	REMARKS.
FAMINE RELIEF AND INSURANCE:	£.	£.	£.	£.	
Famine Relief - - -	9,000	7,000	38,000	1,000	
Construction of Protective Railways.	650,000	946,000	589,000	500,000	In 1883–84 the outlay was mainly on the Rewari-Firozpur, Jhansi-Manickpur, and Bellary-Kistna Railways. In 1884-85, on the same lines, and on the Cuddapah-Nellore Railway, certain sums unspent in former years being re-allotted. In 1886–87 the sum of 139,000 *l.*, being interest payable to the Indian Midland Railway Company, is charged under the Railway Revenue Account, and a corresponding deduction is made under construction of protective railways.
Construction of Protective Irrigation Works.	283,000	253,000	199,000	111,000	The outlay was chiefly on the Betwa, Nira, Orissa Coast, Buckingham, and Swat River Canals.
Reduction of Debt - -	581,000	342,000	674,000	749,000	The amount placed at the disposal of the Commission for Reduction of Debt is the balance necessary to bring up the total grant for famine relief and insurance to the fixed amount of 1,500,000 *l.* a year. In recent years this balance has been almost entirely taken in reduction of the usual loan needed to supply funds for Railways and Irrigation Works.
TOTAL - - - £.	1,523,000	1,548,000	1,500,000	1,361,000	In 1883–84 and 1884–85, the excess over 1,500,000 *l.* arises from the addition of exchange on railway stores purchased in England. In 1886–87 the reduction is due to the charge of 139,000 *l.*, as above mentioned, under the Railway Revenue Account.
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance.)	*—176,000*	264,000	631,000	109,000	The credit in 1883–84 is for outlay on certain provincial lines, subsequently charged against borrowed money. The charges in subsequent years are mainly for frontier railways (the greater part of the expenditure on which lines, however, has not been charged against revenue), and for the Lucknow-Sitapur-Kheri line.
RAILWAY REVENUE ACCOUNT:					
State Railways: Working Expenses.	3,890,000	4,213,000	4,740,000	5,569,000	In 1884–85 an increase of 189,000 *l.* is caused by the transfer of the Eastern Bengal Railway to this head; there was an increase of 31,000 *l.* on the Cawnpore-Achnera Railway through the opening of the Farrakhabad-Hathras Section and Jumna Bridge; of 32,000 *l.* on the Burma lines, owing to the opening of the Rangoon and Sittang Valley Railway, and the improvement of traffic; of 29,000 *l.* on the Tirhoot, and of 18,000 *l.* on the Amritsar-Pathankot line, in consequence of the opening of further sections; of 44,000 *l.* on the Rajputana, of 26,000 *l.* on the Wardha Coal, and of 28,000 *l.* on the Northern Bengal line; and there were savings of 168,000 *l.* on the East Indian, and of 28,000 *l.* on the Indus Valley Railway. In 1885–86 the estimate shows an increase of 138,000 *l.* on the Rajputana (including Rewari-Firozpur), and 85,000 *l.* on the Eastern Bengal line; of 40,000 *l.* on the Burma, 45,000 *l.* on the Southern Mahratta, 84,000 *l.* on the North Western (besides 140,000 *l.* for the Scinde, Punjab, and Delhi Railway after its purchase), and 56,000 *l.* for the Bengal Central line, now brought under this head; while on the East Indian there was a decrease of 39,000 *l.* In 1886–87 an increase of 545,000 *l.* is anticipated, owing to the Scinde line being included among State railways for the whole of the year; of 165,000 *l.* on the East Indian; of 42,000 *l.* on the Southern Mahratta; and of 30,000 *l.* on the Rajputana line.
State Railways: Interest on Debt.	2,168,000	2,397,000	2,656,000	3,100,000	
State Railways: Annuities in purchase of Railways.	1,478,000	1,517,000	1,741,000	2,301,000	The Eastern Bengal Railway was purchased by the Government on the 30th of June 1884, and the Scinde, Punjab, and Delhi Railway on the 1st of January 1886.
State Railways: Interest on Capital deposited by Companies.	85,000	118,000	258,000	449,000	The figures for the first two years refer only to the Southern Mahratta Company; in 1885–86 and 1886–87 the Indian Midland and Bengal Central are also included.

STATEMENT showing the Principal Figures in the Indian Accounts for 1883-84 and 1884-85,

REVENUE.	Accounts, 1883-84.	Accounts, 1884-85.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.	REMARKS.
RAILWAYS—*continued.*	£.	£.	£.	£.	
Guaranteed Companies (Net Traffic Receipts).	3,688,000	3,478,000	3,644,000	3,134,000	In 1884-85 a reduction of 230,000 *l.* is caused by the Eastern Bengal Railway being included for only one quarter; in 1885-86 the Scinde Railway is included for only nine months, and a reduction of 443,000 *l.* is caused in 1886-87 by the transfer of this line to State Railways. In 1884-85 there was an improvement of 143,000 *l.* on the Great Indian Peninsula, and a reduction of 66,000 *l.* on the Oude and Rohilkund line. In 1885-86 an increase is estimated of 85,000 *l.* on the Great Indian Peninsula, and of 59,000 *l.* on the Bombay and Baroda line. In 1886-87 a reduction of 83,000 *l.* is anticipated from the payments of income tax on the receipts of the Guaranteed Railways.
Subsidized Companies (repayment of Advances of Interest).	3,000	1,000	- -	- -	These repayments were made by the Bengal Central, and Rohilkund and Kumaon Railway Companies.
TOTAL - - - £.	11,960,000	11,898,000	13,449,000	13,975,000	
IRRIGATION:					
Major Works: Direct Receipts	937,000	1,075,000	847,000	921,000	The improvement in 1884-85 took place on the Ganges, Western Jumna, Lower Ganges, and Agra Canals. In 1885-86 a diminution of receipts is anticipated on all these works, as well as the Eastern Jumna Canal.
Major Works: Portion of Land Revenue due to Irrigation.	534,000	466,000	538,000	556,000	In 1883-84 there was an exceptional receipt of 36,000 *l.* in the Punjab, on account of arrears of water advantage rate on well lands, now credited to the Bari Doab Canal. In 1884-85 large remissions were made in the Cauvery Delta, owing to heavy floods.
Minor Works and Navigation	142,000	135,000	144,000	145,000	
TOTAL - - - £.	1,613,000	1,676,000	1,529,000	1,622,000	
BUILDINGS AND ROADS:					
Military Works - - -	44,000	40,000	41,000	188,000	The receipts are usually derived from the rents of buildings and sale of old materials. In 1886-87 £.150,000 is included as compensation from Maharaja Sindia, for the cantonment buildings at Morar.
Civil Works - - - -	508,000	575,000	504,000	492,000	The receipts are mostly derived from rents, sale of stores, proceeds of workshops, tolls, and ferries. In 1884-85 there were abnormal receipts on account of contributions for roads in Sindia's territories, and from the East Indian Railway Company on account of their offices in Calcutta.
TOTAL - - £.	552,000	615,000	545,000	680,000	

and Estimates for 1885-86 and 1886-87, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1883-84.	Accounts, 1884-85.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.	REMARKS.
RAILWAY REVENUE ACCOUNT—*continued.*	£.	£.	£.	£.	
Guaranteed Companies: Surplus Profits, Land, &c.	637,000	493,000	493,000	498,000	The moiety of surplus profits payable to the Companies appears as follows in the accounts and estimates:
Guaranteed Companies: Interest.	4,047,000	4,029,000	4,186,000	3,591,000	The reduction in 1884-85 and 1886-87 is due to the removal of the Eastern Bengal and Scinde Lines from this head.
Subsidized Companies: Land, &c.	55,000	40,000	48,000	69,000	This is compensation for land taken up for the Bengal and North Western, Bengal Central, Rohilkund and Kumaon, and Tarkassur Railway Companies, and subsidy to the Assam Railway and Trading Company.
Subsidized Companies: Advances of Interest.	34,000	45,000	–	–	Advances of interest to the Bengal Central and Rohilkund and Kumaon Companies.
Miscellaneous Expenditure -	— *129,000*	97,000	103,000	120,000	Chiefly for surveys. In 1883-84 there was a large transfer of past outlay to the head of Expenditure, not charged against Revenue
TOTAL - - - £.	12,265,000	12,949,000	14,225,000	15,697,000	
IRRIGATION:					
Major Works: Working Expenses.	515,000	572,000	593,000	612,000	In 1884-85 the chief increase occurred on the Lower Ganges Canal, owing to the damage of the Nadrai Aqueduct by heavy floods, and on the newly opened Sirhind Canal.
Major Works: Interest on Debt	894,000	932,000	966,000	998,000	
Minor Works and Navigation	751,000	745,000	747,000	743,000	
TOTAL - - - £.	2,160,000	2,249,000	2,306,000	2,353,000	
BUILDINGS AND ROADS:					
Military Works - - -	1,020,000	950,000	997,000	1,155,000	An average sum of 1,000,000 *l.* a year is granted for the construction and repair of military works throughout India. The outlay in 1883-84 included lapses from the previous year. In 1886-87 there is a special provision of 150,000 *l.*, for accommodation rendered necessary by the increase of the Army.
Civil Works - - - -	4,791,000	4,059,000	3,707,000	4,294,000	In 1883-84 a charge of 533,000 *l.* for outlay in past years on the Madras Harbour Works was included. In 1884-85 the reduction occurred chiefly in Bengal and British Burma, and was due to the exhaustion of the surplus balances. The reduction in 1885-86 is caused by the restriction of civil expenditure, owing to the military preparations. In 1886-87, 200,000 *l.* is included for frontier roads, and 100,000 *l.* for civil works in Upper Burma.
TOTAL - - - £.	5,811,000	5,009,000	4,704,000	5,449,000	

	1883-84.	1884-85.	1885-86.	1886-87.
	£.	£.	£.	£.
Eastern Bengal	115,000	26,000	—	—
Bombay and Baroda - -	110,000	146,000	116,000	135,000
Great Indian Peninsula - -	345,000	259,000	281,000	282,000
Scinde, Punjab, and Delhi -	—	—	13,000	—
£.	570,000	431,000	410,000	417,000

STATEMENT showing the Principal Figures in the Indian Accounts for 1883-84 and 1884-85,

REVENUE.	Accounts, 1883-84.	Accounts, 1884-85.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.	REMARKS.
ARMY SERVICES:	£.	£.	£.	£.	
Army: Effective - - -	884,000	768,000	842,000	789,000	In 1883-84 there were large sales of obsolete ordnance stores. In 1885-86 there were considerable receipts, owing to the employment of Indian troopships on Imperial service.
Army: Non-effective - -	80,000	47,000	49,000	53,000	In 1883-84 there were recoveries of arrears, on account of pensions of officers who had served under the Hyderabad Administration.
Military Operations in Egypt	4,000	—	—	—	
TOTAL - - - £.	968,000	815,000	891,000	842,000	
TOTAL REVENUE - - £.	71,842,000	70,691,000	73,601,000	75,799,000	

and Estimates for 1885–86 and 1886–87, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1883–84.	Accounts, 1884–85.	Revised Estimate, 1885–86.	Budget Estimate, 1886–87.	REMARKS.
ARMY SERVICES:	£.	£.	£.	£.	
Army: Effective - - -	13,147,000	13,208,000	16,672,000	15,075,000	In consequence of the determination to pay the British Troops, after the 1st of January 1884, at the rate of exchange fixed annually by the Treasury for the payment of troops in the Colonies, an additional charge of 46,000 *l.* was incurred in 1883–84, of 138,000 *l.* in 1884–85, of 49,000 *l.* in 1885–86, and of 51,000 *l.* in 1886–87, owing to the continued fall in the gold price of silver. In 1884–85 the Zhob Valley Expedition cost 60,000*l.*; but there were reductions, owing to the British force being below its established strength, to favourable prices, and to savings in medical supplies and transport charges. In 1885–86 the military preparations cost 2,514,000 *l.* (including 240,000 *l.* for the temporary railway and tramway in the Bolan, and 457,000 *l.* for stores from England); the Burma operations cost 390,000 *l.*; the Rawal Pindi durbar, 50,000 *l.*; the Camp of Exercise at Delhi, 100,000 *l.*; additional remounts, 91,000 *l.*; and exchange was heavier by 243,000 *l.*
Army: Non-effective - -	4,921,000	3,756,000	3,056,000	3,191,000	In 1883–84 a payment of 1,000,000 *l.* was made to the Treasury, on account of arrears of non-effective charges for British troops. From the 1st of April 1884, the system of paying the capitalized value of the share of India in each pension when granted was abandoned, and the charge borne by India during the year is henceforward to be her portion of each pension according to actuarial tables of life. The result was a considerable decrease at first, but the amount will gradually rise again for 10 or 12 years. In 1886–87 there is an increase of 61,000 *l.* for exchange.
Military Operations in Egypt	56,000	—	—	—	
TOTAL - - - £.	18,124,000	16,964,000	19,728,000	18,266,000	
TOTAL EXPENDITURE, Imperial and Provincial - -	70,427,000	71,366,000	76,339,000	76,592,000	
PROVINCIAL ADJUSTMENTS:					
Deficits: Expenditure by Provincial Governments from their balances.	*—465,000*	*—289,000*	- -	*—975,000*	In 1883–84 and 1884–85 the Provincial Governments spent, besides the whole of their annual allotments, sums which had accumulated in their balances from the savings of previous years; and a similar course is expected in 1886–87, in which year also a special contribution of 400,000 *l.* is to be made from the Provincial Balances in aid of the Imperial Government. In 1885–86, on the other hand, the Provincial Governments spent less than their income. Of the net amount of 1,615,000 *l.* so spent in the four years, the Government of the North-West Provinces and Oudh has expended 854,000 *l.*; British Burma, 223,000 *l.*; Madras, 133,000 *l.*; Bengal, 113,000 *l.*; Bombay, 102,000 *l.*; Assam, 77,000 *l.*; the Punjab, 58,000 *l.*; and the Central Provinces, 55,000 *l.*
Surpluses: Allotments to Provincial Governments unspent by them.	- -	- -	114,000	—	
TOTAL EXPENDITURE charged against the Revenue of the Year - £.	69,962,000	71,077,000	76,453,000	75,617,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1883–84 and 1884–85,

REVENUE.	Accounts, 1883–84.	Accounts, 1884–85.	Revised Estimate, 1885–86.	Budget Estimate, 1886–87.	REMARKS.
	£.	£.	£.	£.	

India Office,
11 June 1886.

and Estimates for 1885–86 and 1886–87, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1883–84.	Accounts, 1884–85.	Revised Estimate, 1885–86.	Budget Estimate, 1886–87.	REMARKS.
EXPENDITURE NOT CHARGED TO REVENUE:	£.	£.	£.	£.	
Capital Outlay on Railways and Irrigation Works:					
State Railways - - -	3,380,000	3,526,000	4,897,000	4,727,000	The total outlay on the construction of State Railways during these four years, is as follows:

	1883–84.	1884–85.	Revised Estimate, 1885–86.	Budget Estimate, 1886–87.
	£.	£.	£.	£.
From Borrowed Money - -	3,380,000	3,526,000	4,897,000	4,727,000
From Revenue - - -	473,000	1,210,000	1,220,000	609,000
TOTAL - - £.	3,853,000	4,736,000	6,117,000	5,336,000
DISTRIBUTION;				
East Indian - - - -	233,000	279,000	271,000	200,000
Eastern Bengal - - -	- -	177,000	235,000	112,000
Calcutta and South Eastern -	258,000			
Rajputana-Malwa - - -	341,000	162,000	110,000	47,000
Rewari-Firozpur - - -	514,000	279,000	51,000	30,000
Nagpore and Chhattisgarh -	51,000	63,000	45,000	65,000
Bengal-Nagpore - - -	10,000	78,000	55,000	8,000
Jhansi-Manikpur - - -	- -	196,000	—*313,000*	—
Burma - - - - -	516,000	299,000	101,000	5,000
Northern Bengal - - -	154,000	73,000	29,000	53,000
Tirhoot - - - - -	218,000	102,000	—*51,000*	12,000
Assam-Behar - - - -	43,000	277,000	451,000	106,000
Naraingunj - Dacca - Maimansinh.	236,000	208,000	111,000	38,000
Luchnow-Sitapur-Kheri -	2,000	39,000	102,000	103,000
Cawnpore-Achnera - -	481,000	99,000	69,000	15,000
Bilaspur-Etawah - - -	8,000	104,000	293,000	53,000
Punjab Northern - - -	36,000	54,000	34,000	North Western. 300,000
Sind, Punjab, and Delhi -	- -	- -	232,000	
Indus Valley - - - -	180,000	267,000	75,000	
Sindh-Pishin:				
Southern Section - -	95,000	—*43,000*	30,000	
Northern Section, Quetta, and Bolan.	122,000	669,000	2,099,000	1,086,000
Kandahar Reserve, rolling stock and material.	- -	- -	145,000	675,000
Sind-Sagar - - - -	- -	39,000	557,000	1,128,000
Sutlej Bridge - - - -	- -	25,000	174,000	240,000
Amritsar-Pathankot - -	260,000	87,000	2,000	4,000
Cuddapah-Nellore - - -	27,000	142,000	178,000	179,000
Bellary-Kistna - - -	91,000	352,000	389,000	500,000
Other Lines and Stores (deducting credits).	—*199,000*	447,000	76,000	—*223,000*
Exchange - - - - -	176,000	262,000	567,000	600,000
TOTAL - - £.	3,853,000	4,736,000	6,117,000	5,336,000

Irrigation Works - - -	711,000	699,000	616,000	700,000	The principal outlay was on the Orissa, Son, Lower Ganges, Western Jumna, and Sirhind Canals, the Sangam System, the Godaveri and Kistna Delta Works, the Chenab Canal, and the Eastern Nara Works.
TOTAL - - - £.	4,091,000	4,225,000	5,513,000	5,427,000	
Special Defence Works -	–	–	–	442,000	Coast and Land Defences.
Madras Irrigation and Canal Company's Undertaking.	16,000	1,000	3,000	–	The work was purchased by the Government in July 1882, and is now called the Kurnool Canal, and included in "Irrigation Works."
Miscellaneous Public Improvements.	—*533,000*	–	–	–	The credit is connected with the Madras Harbour, which in 1883–84 was removed from the class of Productive Public Works, the past outlay being brought to account under the head of Civil Works.
Capital Charge involved in Redemption of Liabilities:					
East Indian Railway -	510,000	342,000	545,000	–	Capital charge involved in redemption of Annuity and Debenture Stock.
Eastern Bengal Railway -	56,000	973,000	541,000	–	Capital charge in connection with the purchase of the undertaking and discharge of Debenture Debt.
Scinde, Punjab, and Delhi Railway.	–	–	–	4,844,000	Capital charge in connection with the purchase of the undertaking.
TOTAL - - - £.	4,140,000	5,541,000	6,602,000	10,713,000	

Henry Waterfield,
Financial Secretary.

EAST INDIA (ACCOUNTS).

COPY of a STATEMENT showing the Principal FIGURES in the EAST INDIA ACCOUNTS for 1883-84 and 1884-85, and ESTIMATES for 1885-86 and 1886-87, with Explanations.

(*Mr. Stafford Howard.*)

Ordered, by The House of Commons, *to be Printed*
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[*Price* 2 *d.*]

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RETURN to an Address of the Honourable The House of Commons, dated 24 April 1885;—*for*,

"COPY of, or EXTRACTS from, DOCUMENTS relating to ARMY TRANSPORT included in the REPORT of the COMMISSION on INDIAN ARMY RE-ORGANISATION, together with any other Papers relating thereto."

India Office,
6 July 1885.

J. A. GODLEY,
Under Secretary of State for India.

(Sir George Balfour.)

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COPY of, or EXTRACTS from, DOCUMENTS relating to ARMY TRANSPORT included in the REPORT of the COMMISSION on INDIAN ARMY RE-ORGANISATION, together with any other Papers relating thereto.

No. 1.

REPORT of the Special Commission appointed by his Excellency the Governor General in Council to inquire into the Organisation and Expenditure of the Army in India (1879). Chapter X., Section 2.—Transport.

412. WE feel that there can be no doubt in the mind of anyone who has studied the history of Indian wars that an efficient transport service is the first requirement of an army on a campaign.* Unless supplies of food for men and horses, reserves of ammunition for rifles and guns, and sufficient hospital appliances, are always present with an army in the field, the men can neither march nor fight. A part, at any rate, of the Indian Army must always be equipped as if it were in the presence of the enemy in the field. In India, and in Asia generally, even more than in Europe, the rule holds good that a small fully-equipped force, which can act at once and strike sharp, prompt blows, is more efficient, and far more economical, than a large army that can only take the field after months of preparation. As one of the officers,† whose report will be found in Appendix LVI., says, "Even if it be necessary to retrench in other points to meet the necessary expenditure, it would be a thousand times better to do so, and give the army an efficient transport service; for such a service would give power of movement to the army, and is worth more to it than a couple of extra divisions."

Need for efficient transport in Indian warfare.

413. In former years no standing carriage, except elephants, no transport establishments, and no ambulance arrangements, were maintained in India during times of peace. In the mutiny campaigns, and in previous Indian wars, the local carriage of the country, consisting of elephants, camels, bullock-carts, and pack bullocks, answered tolerably well for the requirements of armies operating in the plains of India. Ordinarily, regiments had to march hundreds of miles before they reached the scene of action, and during the march the vehicles, the animals, and their drivers, became more or less disciplined and organised. But when a sharp and sudden blow had to be struck, the army was at times paralysed for want of available carriage, as, for instance, when the field column was kept waiting at Umballa before it could march upon Delhi, in May 1857. The lessons of the mutiny taught the Government that, for the maintenance of internal order, and for the repression or prevention of disturbance, it was necessary that small bodies of troops should be able to take the field at a few hours' notice in different parts of the country. Accordingly, the Government has, since 1861, established and maintained at 43 different stations a small supply of carriage sufficient to place in the field an effective "moveable column" of all arms. The constitution of the "moveable column" carriage varied according to the nature of the country. For instance, in Lower Bengal, Assam, and Burma, where the country is destitute of metalled roads, and is intersected by rivers and rice-swamps, the moveable column carriage consists mainly of elephants and boats. In the Punjab, in Western and Northern India, the standing transport consists mainly of camels and elephants. In Madras, where camels do not thrive, the carriage consists of elephants, pack-oxen, mules, and a few camels. To each moveable column are attached a small number of dooly bearers for carrying the sick and

Moveable column carriage.

*Lord Strathnairn says, it is "better to have 10,000 men with perfect transport, which ensures their efficiency, than double that number with imperfect transport, and all the evils which follow in its train; an embarrassed strategy, neglected sick, and an ill-supplied soldiery."

† Lieutenant Colonel R. L. Low, of the 13th Bengal Lancers.

and wounded, of water carriers, and of other camp-followers. The elephants attached to moveable columns are all Government property; but the camels, carts, and pack-cattle are mostly hired. The orders* of 1861 directed that moveable columns should be regularly mobilised, and marched out of cantonments for a certain number of days in the year. But during the last 10 years the moveable columns have very rarely, and at many cantonments have never, been moved out. No share of the standing carriage has been allotted to the several arms composing the moveable columns; but few officers or detachments have known their place in these columns; and the only action on the mobilisation rules of 1861 has been the occasional publication in station and regimental order books of the detachments told off periodically to the moveable columns.

* No. 1A, pp. 18, 19.

414. Besides the "moveable column" carriage, a certain limited quantity of carriage is maintained at stations where there is no moveable column. This extra carriage consists of elephants, camels, and pack bullocks, all of which, save the elephants, are hired. In addition to the provision of moveable column and station carriage, there are certain corps and arms of the Service which are always kept provided with carriage. For instance, bullocks are kept to draw the second line of waggons attached to horse and field batteries of artillery, while elephants and bullocks are maintained for siege trains. Mountain batteries of artillery are provided with 66 baggage mules each, the presence of which enables half the battery to take the field fully equipped, or the whole battery to start in the lightest marching order at a few hours' notice. Every corps of the Punjab Frontier Force is allowed to maintain sufficient camels and mules to enable half the regiment to take the field equipped and supplied for 15 days' service, or to enable the whole regiment to start in the lightest marching order ready for three days' field service. Then, again, all the (sillidar) cavalry of the Punjab, Bengal, and Bombay armies maintain* as part of their equipment camels, or

Other carriage besides moveable column carriage.

* The practice of native cavalry regiments is not quite uniform in this respect. For instance, the Sind Horse keep, at the cost of the regiment, sufficient camels to enable the men to take the field. The Central India Horse require only 80 additional ponies per regiment, with 12 cacolet mules, and 95 dooly bearers, to enable them to take the field equipped for a long campaign, with reserve ammunition, hospital tents, and officers' baggage. The Poona Horse are always ready to march anywhere with their regimental baggage ponies; and the following extract from the commanding officer, Colonel La Touche's report shows how this is arranged. He writes:—

"I think all Native cavalry regiments should keep up their own baggage animals, such animals serving in garrison as grasscutter's ponies, and being equally useful therefore both in peace and war. As the baggage arrangements in my own regiment have always been most successful, I append a few notes on the system. In my own regiment the regimental carriage consists of a pony for every two horses for the non-commissioned officer, rank and file; and each Native officer has a pony for himself. This number is kept up most strictly; and the ponies are inspected every month on muster day by the squadron commanders. When the regiment is in camp, they are employed by the men in bringing in forage from the surrounding villages, making trips of from 10 to 20 miles, probably three times a week. They are thus in constant training for the work that is required of them on field service, and the syces in charge of them gain daily experience in the proper method of loading them. By this arrangement, I am at any time able to start at a moment's notice with my regiment and nearly 250 baggage ponies, and have never yet, on the numerous occasions the regiment has been ordered out on various duties, had to apply for outside assistance. The loads carried by these ponies are extraordinary; and they will march 20 and 30 miles a day for weeks, arriving always at the encamping ground within half-an-hour of the regiment. The latest occasion on which the services of my regiment have been required was the suppression of the Dacoities in the Deccan. One detachment marched at an hour's notice, and covered 100 miles the first 40 hours. I append a few extracts from long reports I have just received from Majors Daniell and Westmacott, superintendents of police, in command of various parties: 'The Poona Horse possesses a very great advantage over other regiments I have seen here in being supplied with pony carriage The result is, that they can move literally as soon as the horses can be saddled and the baggage packed on the ponies, and they can travel over any country. On one occasion I marched with a detachment over 100 miles in less than 40 hours; but, whenever we halted for a few hours, the men's baggage was up, and they were able to get food for themselves, and to make their horses and themselves as comfortable as they would be in their own lines within an hour of dismounting. Without this pony carriage, our movements would have been completely hampered in this country, where cavalry may at any moment be called on to travel long distances.' The above is from a report by Major Daniell.

"Major Westmacott, commanding a flying column, writes as follows: 'I applied for Government mule carriage for the infantry, and, when it was really tested against the baggage ponies, the latter had the best of it by hours.' In describing some very hard work the men had in the pouring rain from 24th June to 3rd July 1879 over the Western Ghâts, he says, 'Six horses of the Poona Horse slipped off the path and rolled down distances varying from 18 to 50 feet; the rain was incessant, and six nullahs were crossed in heavy flood. The ponies were again up within a few hours of the men; the mule carriage broke down altogether; three died from exhaustion and want of forage, and 18 out of 35 went sick.' Further on, describing the end of this severe week's marching, he states: 'The whole of the mules did not rejoin me for a week, and then had left their tents behind; three mules died, and 13 were sent sick to Poona. Out of 35 of the ponies, some (I cannot give the exact number) were laid up with sore backs; but all, with one exception, were fit to march again on the 7th.' Again: 'We have marched over some 600 miles in wet and dry, over hills and through deep mud; and pony carriage has never failed.'"

or ponies, or mules, sufficient, or nearly sufficient, to take the field in light marching order. Further, of late years a reserve of 500 pack mules has been maintained at the station of Rawal Pindi, and a similar number at Peshawar. These animals have been found of the greatest use in frontier expeditions, and also in carrying supplies to the regiments cantoned in the Murree hills.

415. The total cost of the means of transport now maintained for the Indian army in time of peace is, yearly :

	Rupees.
Bengal and Punjab armies, moveable column and station carriage	23,06,175
Madras army - - - - - - - - - - - -	7,15,052
Bombay army - - - - - - - - - - - -	5,41,609
Punjab Frontier Force regimental carriage - - - -	85,000
TOTAL - - - *Rs.*	36,47,836
Besides this outlay on Government carriage, the army is charged with the following expenses, namely,—	
Cost of keeping up the khedda or elephant catching establishments - - - - - - - - - - - -	1,50,000
Cost of hired carriage for reliefs, and for moving commissariat and ordnance stores, over and above railway and steamer expenses (about) - - - - - - -	2,00,000
GRAND TOTAL - - - *Rs.*	39,97,836
From this must be deducted the cost of bullocks for the second line of waggons, in place of which other carriage has been (para. 200 of this Report) proposed - - -	2,33,905
Net Total of Transport expenditure (exclusive of railway and steamer charges) in peace time - - - - *Rs.*	37,63,931

This does not show the cost of maintaining partial, or complete, carriage for sillidar cavalry regiments, which keep up pony, or other means of transport, out of their pay.

416. For this outlay, of nearly 38 lakhs of rupees, the sanctioned strength is :—

Total cost of peace transport.

	No.
Elephants - - - - - - - - -	1,307
Camels (mostly hired) - - - - - -	9,048
Mules (chiefly Government property) - - -	4,412
Draught bullocks, with carts - - - -	1,584
Siege train bullocks* - - - - - -	1,760
Dooly bearers - - - - - - - -	6,199
Other followers (exclusive of attendants on animals)	628

* Artillery bullocks numbering 1,987 are not included.

This strength of carts and animals represents (exclusive of the siege train bullocks) power to carry 74,000 maunds,* that is to say, it would suffice † to put into the field 15,000 British and 30,000 Native troops, complete with reserve ammunition, tents and baggage, according to the scale laid down for warfare in Afghanistan, hospitals, and four days' food for men and animals. The whole of these means of transport are under the charge of commissariat officers, with the exception of the transport animals

* One maund = 80 lbs.

† The carriage of the moveable column could do this duty, if it could be all employed. But it must be remembered that the elephants (of which there are 1,307) can hardly work at all in a country where there is no forage, and can never be concentrated. The heavy bullock carts again, which are very useful in cantonments on good roads, are of little use on stony tracks through mountainous countries.

animals belonging to the Punjab Frontier Force, which are in the charge of regimental officers. It must not be supposed that all this carriage is kept idle in time of peace. In the cold season it is employed in transporting the baggage and stores of regiments moved from one station to another; and the dooly bearers pull barrack punkahs in the hot weather. The draught bullocks are more or less engaged throughout the year in carrying supplies and doing cantonment work, The camels, for a part of the year, are kept at graze at half rates of hire, on condition that full rates are paid directly they are wanted for duty.

Present transport arrangements in time of war.

417. The large stock of carriage, thus kept up (at a cost of 376,000 *l.*) in time of peace, is not all available for use in war. It is distributed among some scores of cantonments from Kurrachee on the west to Tonghoo on the east, from Peshawar in the north to Trichinopoly in the south. The railway extension has made it easier to send carriage from one part of India to another: but it is costly and inconvenient to send camels or elephants by railway. Moreover, it is not considered desirable to withdraw entirely the moveable column carriage from the interior of the country. Therefore, when war threatens or breaks out in any part of India, only the moveable column carriage, and the station carriage of the cantonments close to the theatre of war, can at once be sent into the field. For the rest, the commissariat officers hire through contractors, buy in the market, or impress through the civil authorities, such additional carriage as is required for the advanced columns. As far as possible, the carriage with the field columns is composed of camels and pack animals; bullock carts usually suffice for the trains connecting the base of operations with the nearest railway terminus. The whole means of transport thus collected are worked under the commissariat officers, who are burdened with this charge in addition to their own primary duty of providing and distributing supplies. In the recent campaign the field transport has been placed under transport officers, who have so far relieved the extreme pressure on the commissariat staff. But the arrangement has been subject to the very serious drawbacks that the owners of, or attendants on, the hired or impressed transport tried to get away whenever they could, and that the attendants on Government animals were untrained and undisciplined, while neither attendants nor animals were accustomed to, or furnished with, protection against the inhospitable climate of Afghanistan. The result has been that, according to a report issued by the Quartermaster General, 60,000 of the camels supplied to the troops in Afghanistan last campaign have died or disappeared, and the force was stopped after four months in the field for lack of transport. Large reinforcements of transport were sent up, and the transport service was reorganised, so that the army stood ready to march on Cabul. But after the signature of the treaty of peace, and the lapse of a comparatively short interval, there was again a want of carriage notwithstanding that the animals sent to the front, during the preceding five months, were sufficient, if properly treated and managed, to have mobilised a considerably larger force than that which crossed the Frontier during the whole war. The cost to the country of the carriage supplied to the Kandahar, Khyber, and Kuram columns during the six months, November 1878 to May 1879, is estimated to have been 183 lakhs of rupees (1,830,000 *l.*), inclusive of the value of the animals which have perished. Notwithstanding all this outlay, when a fresh campaign began in September 1879, there was again the greatest difficulty, and enormous outlay, in mobilising the comparatively small columns that marched into Afghanistan by the Kuram and Khyber routes.

See Appendix XLIV.

See Appendix XLV.

Cause of the apparent failure of the old system.

418. It seems to us that the old system under which Indian armies were put into the field in past years has broken down in the Afghan campaigns of 1878 and 1879. It may appear strange that a system, which answered sufficiently well in the Cabul expeditions of 1839-41, in the Sind expedition of 1843, in the Sutlej and Punjab wars of 1846 and 1849, and in the long mutiny campaigns of 1857-59, should be condemned at the present time; for without doubt some of the armies operated at a longer distance from their effective base during the old wars, than they did in the campaigns of the past two years. But it must be remembered that, during the last 20 years,

20 years, the extensions of railways and metalled roads have wrought a great change in the course of traffic in India. Formerly the salt, the grain, the piece goods, and the cotton traffic of the country moved across India by means of caravans of camels and endless strings of pack-bullocks. Now all this trade is carried by railways along the main lines, and is distributed from the railways by carts moving on bridged roads, which are for the most part fairly level. One result of this change has been that camels are hardly used at all save in the sandy plains of Rajputana and in the districts of the Punjab, while pack-oxen are seen only in small droves among the hills and wastes of Central and Southern India. The carts of Northern India which have taken the place of pack-animals, and ply in vast numbers on the roads and cross-roads of the country, would be serviceable enough for the heavy baggage of an army operating in Oudh, the North-Western Provinces, or the Punjab. The much lighter carts of the Bombay and Madras country would do good work for the stony and more hilly cross-roads of the south. But none of these bullock-carts are light enough and quick enough for duty with field columns of the present day, operating in countries like Afghanistan, or employed beyond sea. Ordinary country bullocks and carts, however, suffice for working a staged-train from the nearest Indian railway terminus to the field base.

Object of any new transport service.

419. We consider that any new transport service should maintain carriage enough to place a few moveable columns in the field at very short notice; should establish a reserve of carriage at a few selected centres, sufficient to mobilize within 10* to 14 days a force of 6,000 British and 11,000 Native soldiers of all arms, and a system should be organised under which European officers and Native subordinates may receive constant training in transport duties, and the small reserve of carriage may in time of war be made capable of expansion on a pre-arranged plan. If all this can be done at a somewhat smaller outlay than is now caused by the peace transport establishment, we may be quite sure that, under an organised and pre-arranged system, there will be very great saving in the cost of transport for future wars.

* Under our scheme, mobilization could be effected within 10 to 14 days, if the point of concentration were near the northern frontier. But our next point of concentration may have to be on the sea-board, or on the borders of Nepal or Burma.

Reduction in the number of elephants.

420. Before showing how we propose to effect this object, we would describe some changes in the animals and *matériel* which economy and the progress of circumstances appear to dictate. In the first place, we consider it to be quite unnecessary to maintain so large a number of elephants. These animals are very suitable for moveable column carriage in Burma, Assam, and Bengal, where fodder is plentiful, and where much of the country is covered with rice swamps. A small number of elephants, with appropriate harness, must be kept to drag siege-train guns. Elephants have been used on an emergency to carry field-guns in countries impassable for wheeled vehicles, as in Abyssina. But the keep and purchase of elephants is very costly; the animals themselves are delicate, liable to get footsore on stony roads, and they suffer much from the cold. For ordinary operations they form a very expensive and inconvenient means of transport. Moreover, it is practically impossible to move elephants by railway, and it is difficult to move them by water from one part of India to another. They cannot march more than 300 miles a month; and so the elephant carriage of one part of India is not promptly available for operations in another part of India. We propose to reduce the number of Government elephants constantly maintained from 1,307 to about 400,* and we believe that this number may hereafter be further very much reduced. The average cost of keeping and replacing an elephant is 1,200 rupees a year; therefore the reduction of 900 elephants will make 10,80,000 rupees a year available for other means of transport. When a much smaller number of elephants is maintained, it will not be necessary to keep up the khedda (elephant catching) establishment, which costs 1,50,000 rupees a year. The ordinary cost of a trained

* 238 elephants are to be maintained for moveable column and reserve carriage. The remainder, 162, *may* be required for regimental carriage at frontier stations in Assam and Burma, where camels and wheeled carriage cannot be used, and where the keep of elephants is much cheaper than in the plains of India. *See* Appendix XLVI.

trained elephant has of late years been 1,200 rupees to 1,500 rupees. If a large number of Government elephants are thrown upon the market, they may be expected to fetch somewhat less all round. Still the sale of 900 elephants ought to yield at least 9,00,000 rupees which will be available for the purchase of other means of transport.

Need for light mule and pony carts.

421. It has been said that the whole of the moveable column carriage at present consists of pack animals; and the only description of wheeled transport hitherto used by Indian armies are the heavy bullock-carts of the Indian plains, which are quite unsuitable for rapid marches or for hilly roads. Yet it stands to reason that wheeled transport, where roads exist, must be cheaper and more economical of animal power than pack transport. A mule or a strong pony can drag in a light cart at least twice the load which it can carry on its back; and light well-designed carts, drawn by mules or ponies, can travel and keep up with advanced columns on any track passable for field artillery. The baggage of all civilized armies is carried, more or less, in wheeled carts. We consider that for the transport service of the Indian army a supply of strong single and double mule (or pony) carts should be provided.

Committee to be appointed.

A committee of practical officers should, we think, be appointed to consider the subject and construct and test various descriptions of carts. They should communicate with the many officers throughout the country who have given attention to this subject. It would not be necessary that the pattern of carts should be everywhere uniform; but the carts should be strong as well as light; the several parts of carts of any one pattern should be interchangeable; spare pieces as well as spare-wheels would be carried with the reserve supplies on service; and the harness should be devised so that the animals may, when necessary, be used for pack transport. If the wheels and axles of the service carts are really strong, the rest of the cart can be as cheap and simple as possible. For quick light carriage accompanying regiments on rapid marches, we believe that nothing could be more effective than a cart constructed after the fashion of the ordinary "ekka" of Hindustan, a light strong vehicle in which the common ponies of the country perform long journeys, and which could be adapted, by a slight change in construction, to the carriage of a light load, or of two foot-sore men.

Wheeled and other carriage for sick and wounded.

422. We consider that a change is also required in the arrangements for carrying the sick and wounded. At present, European troops in the field are accompanied by doolies and dooly-bearers for 10 per cent. of their strength. The allowance of sick carriage for Native troops is one dooly per company, with as many ordinary bullock-carts as may be required; for work on the Punjab frontier, regiments have dandies in place of doolies, and five camels equipped with (hazawars) panniers for carrying sick men. Doolies for the sick and wounded were an excellent and most comfortable means of transport for the plains of India, so long as a supply of trained dooly-bearers was always available, but with the changes in the mode of travelling, caused by the construction of railways and roads during the past 20 years, the demand for dooly-bearers has almost ceased, and as a consequence, very few trained men can now be hired for a campaign. Last year, common labourers, of all ages and of indifferent physical power, were hired for the Afghan expedition, many of whom were found quite unable to carry doolies; they fell sick and filled the hospitals, and if the forces had been engaged in many hard fought actions, there would have been the greatest difficulty in carrying away the wounded. It must not be forgotten that in Asiatic warfare, every wounded man must at once be carried off the field to the rear. Humanity to the wounded cannot be expected from semi-civilized races, and wounded men found by the enemy are liable, if not certain, to be ill-treated. The difficulty of obtaining competent dooley-bearers on hire at short notice will increase as years go on. We therefore think that the number of doolies allotted to regiments on service must be reduced; that mule ambulances, or wheeled carts, for the carriage of the sick should be substituted for a proportion of doolies; and that for Native troops camel-panniers (hazawars) and mule panniers (cacolets) should be allowed in sufficient number.

Scale suggested.

423. The scale we suggest is—

For British Troops;

Doolies or dandies for 3 per cent. of the troops in the field.
Spring ambulances drawn by two mules for 3 per cent. of the troops in the field.
Camel-panniers (hazawars) for 1 per cent. of the troops in the field.

For Native Troops—

Doolies or dandies for 1½ per cent. of the troops in the field.
Ambulances, camel panniers (hazawars), and mule panniers (cacolets), for 3½ per cent. of the troops in the field.

Dooly-bearers sufficient to supply a whole army-corps in the field should be kept up, as an ambulance corps, in time of peace; the men should be regularly enlisted, disciplined, and clothed, with a sufficient proportion of sirdars (gang-leaders); and they might be employed in pulling punkahs, or other station and relief duty in time of peace. We are aware that there is much difficulty in devising a type of ambulance cart which shall be at once light, strong, and comfortable, for wounded men, and shall carry a small stock of medicines and instruments. The best pattern of mule ambulance, of camel-pannier, and of mule-pannier, would have to be settled by a committee of officers who have seen recent service. The camels and mules told off for hospital duty would have to be specially selected for strength and docility; and each animal would require a driver, instead of one driver to two or more animals, as is usual with baggage cattle. Not only is it necessary to substitute wheeled ambulances and pannier animals for a proportion of doolies, by reason of the scarcity of dooly-bearers, but ambulances will also be much cheaper. Every dooly, with six bearers, costs about 540 rupees a year in peace; it can carry only one wounded soldier, and it adds six men to the number of camp followers to be fed, clothed, and protected. Two ambulances would cost about 800 rupees a year in peace, and they would carry, besides the drivers, eight men. A camel with panniers and a driver would cost about 180 rupees in peace, and 300 rupees in war time, and a cacolet mule would cost about 50 per cent. more. The cost of the different classes of sick carriage would thus be—

Committee to be appointed to decide on ambulances, &c.

	In Peace.	
	Rs.	
Doolies - - - - -	540	Cost per annum of carriage for each sick man.
Wheeled ambulances - - -	100	
Camel-panniers - - - -	90	
Mule-panniers - - - -	135	

In operations among the hills of the eastern frontier, camel-panniers and wheeled-ambulances could not work. But the forces employed on such expeditions are small, and the supply of doolies and cacolets, constantly maintained, would suffice for such occasions. As in the case of mule and pony carts, so with ambulances and cacolets, they can move easily by railway from one end of India to the other, and so can thus be available for a campaign anywhere. Camels with paniers are not equally available beyond marching distance.

424. In the reports received by us, the question whether regimental transport in time both of peace and of war, should be managed and controlled by regimental officers, or by the officers of the Commissariat or the Transport Department, is much discussed. Experience in the Abyssinian and Afghan campaigns has abundantly shown that the corps and batteries, which have maintained regimental transport, were much more mobile, managed their transport better, and lost fewer animals, than those which employed carriage made over to them by the commissariat; at the same time it is also clear that standiug regi-

Question of keeping standing transport in regimental charge.

See Appendix XLVII.

mental carriage is costly to maintain, and can be kept permanently only with regiments, such as the Punjab Frontier Force, which are constantly employed in the same neighbourhood. Obviously, a regiment of British infantry stationed one year in Calcutta, next year at a Himalayan Station, and two years afterwards at Peshawar, cannot maintain and carry about with it regimental carriage that shall be useful at all the stations. Again, mounted branches of the service, such as artillery and cavalry, must keep a large number of animals near their barracks, and constantly employ ponies. Units belonging to these arms could easily accommodate and supervise a moderate additional strength of ponies or mules. A regiment of European infantry, on the other hand, has not space near its barracks for keeping carriage animals; its staff is not conversant with the duty; and it would not be possible to keep the transport of such a corps in regimental charge in peace time. We consider, on the whole, that such transport as the Government can maintain in peace time should be, so far as may be practicable, in regimental charge, subject to the supervision and control of the transport branch of the Commissariat Department. Elephants and camels at large stations, or for the use of European troops, would ordinarily remain in departmental charge, but would be allotted, as far as possible, to regiments. Transport for Native regiments, and mule or pony carriage for mounted European troops, would ordinarily remain in charge of, and be attached to, regiments. We think that measures might be devised for making these cattle useful for bringing in forage for the troops, and that also, by helping the cavalry grass cutters by a small grant, their ponies might be made available for drawing light carts or "ekkas" on the march.

Transport organisation in peace time.

425. After much consideration, we have come to the conclusion that the transport service should be a branch of the Commissariat Department, the staff of which would have to be strengthened, so as to provide for its new duties. Much has been said in favour of making the transport service a separate department, both in peace and war; but we are satisfied that the transport organisation can best be managed as a branch of the great Department of Supply. The Commissariat officers and staff have the necessary knowledge of the requirements of animals and vehicles; their organisation already extends to every garrison and cantonment; if the transport work be recognised as a separate and important branch of commissariat work, and if additional and special officers and subordinates are allowed for the duty, there can be no advantage, while there would be much expense and some inconvenience, in creating a new and separate department. Attached to the Commissary General of each army corps there would, under the scheme we propose, be a chief transport officer, who would, under the direction of the Commissary General, and under the orders of the Lieutenant General, be answerable for, and control, all the transport arrangements of the army corps. The commissariat officer of each station would be in direct charge of the Government departmental transport at the station; and he would, under the orders of the officer commanding the station, inspect periodically all Government transport in regimental charge at stations where there was a moveable column of the three arms. A young officer from one of the British regiments in the garrison, who was qualified for staff employ, should, we think, be attached to the Commissariat Department as assistant transport officer; he would draw for the duty the staff salary attached to the second grade of garrison staff officer. If an officer from a British regiment could not be spared for the duty, a native officer might be appointed transport officer on a staff salary of 50 rupees a month. The transport officer's duty would be to assist the commissariat officer in the management and control of the Government carriage; he would remain a combatant officer, and would not be seconded in his regiment. At stations where reserve carriage is placed, the transport officer would be a staff officer, seconded from his regiment, and would receive a staff salary of 200 rupees a month. Reserve transport officers of all grades would work under the commissariat officer. Government carriage in regimental charge would be placed by the regimental or battery commander under a European officer in the case of British troops, to whom would be attached a selected non-commissioned officer, who would be inspector of regimental transport. The regimental transport of a Native regiment would be placed under a Native officer. Transport officers of British rgiments would receive horse allowance of 30 rupees a month; while an allowance

ance of 15 rupees a month would suffice for Native officers, and for British and Native non-commissioned officers respectively, and they would work either under the regimental quartermaster or directly under the commanding officer, according as the latter might direct. The duty of the regimental transport officer would be to see that the Government carriage was kept in good order, that it was employed on Government work, and that available spare carriage was let on hire, or otherwise employed in such way as the commissariat officer, with the sanction of the commanding officer, might direct. All drivers, syces, dooly-bearers, and other followers belonging to Government carriage would be regularly enlisted, and would receive a cheap uniform* at the public expense. The petty officers of the camel-men, muleteers, and cart-drivers, should be, as far as possible, pensioned soldiers or reservists, who might have capabilities for such duty. They would receive the pay of their appointment in addition to their pension or reserve pay. Extra hands required for transport work at camps of exercise or on reliefs or for detachments or command, should be taken as far as possible from the ranks of the Native regiments in the garrison; the men getting working pay for the days of such employment. When any considerable quantity of Government carriage is hired out to private persons, a Native officer, non-commissioned officer or soldier should be sent in charge. In order to accustom the troops to the methodical* loading and unloading of tents and baggage, every regiment, or part of a regiment which possessed or could obtain Government carriage should be frequently exercised, and a report of the manner in which the troops have acquitted themselves should be furnished to the Lieutenant General Commanding.

* A khaki cotton jumper and a red turban once a year, and a woollen jumper once in two years, with the letters "T. S." on the shoulder, have been suggested as suitable uniform for the Indian Transport Service.

* Reports from officers who served in the recent campaign teem with accounts of the way in which delay, loss of power, expense, and waste of animal life, were caused by the ignorance of all ranks regarding the proper and economical employment and custody of the transport animals made over for regimental use.

Theory of transport should be taught.

426. Under such an arrangement there would always be with the army a considerable number of officers and men who would have had some practical experience of transport work. But it would be necessary that the theory of transport work should also be taught. To this end a hand-book for transport officers should be prepared, giving an account of transport by railway, by ship, and by road, explaining the duties of transport officers in the field and in garrison; and describing the different kinds of transport, the *matériel* used, the precautions to be taken, and the risks to be guarded against in the field or on the line of communications. Lectures on transport should be made a part of the course in garrison instruction and in Native military schools. The subject should rank higher in the garrison course than military law, or even than surveying. When the transport course has been established, no officer who has not qualified in the subject should be eligible for a transport appointment or for the Commissariat Department.

Moveable columns to be maintained for the future.

427. The Government transport to be maintained during time of peace should, we think, consist of—

(*a.*) Moveable Column Transport.
(*b.*) Regimental Transport.
(*c.*) Reserve Transport at Depôts.

We think that the great changes which have taken place in the means of communication, since moveable columns were first organised in 1861, make it possible for the Government to be satisfied with a smaller number of moveable columns than were then considered necessary. Omitting the frontier garrisons, which will be noticed hereafter, we advise that moveable columns be maintained only at—

Bengal Army Corps:—

Barrackpore.	*Lucknow.
Dorunda.	*Allahabad.
Nowgong.	*Bareilly.
Gwalior.	

Punjab Army Corps :—	
*Umballa.	Meean Meer.
*Rawal Pindi.	
Madras Army Corps :—	
Madras.	Waltair.
*Bangalore.	Cuttack.
Berhampore.	Rangoon.
*Secunderabad.	
Bombay Army Corps :—	
*Poona.	Nusseerabad.
*Mhow.	Saugor.
Ahmedabad.	Kamptee

Excluding the columns at places marked with an asterisk, at which we propose to keep depôts of reserve carriage, the cost of the moveable columns at other places will be about 6,63,000 rupees a year, as shown in Appendix XLVIII.

Charge of moveable column transport.

428. The moveable column carriage allotted to mounted branches of the service should be in battery or regimental charge. The transport allotted to infantry should be in the charge of the Commissariat Department; but the animals and vehicles belonging to each arm would be distinct, and the commanding officer of that arm would be entitled to order out his share of the transport for exercise or practice at such notice as the circumstances might require. Each moveable column would be complete with ambulances, and carriage for light tents, hospitals, &c. In time of war, the mules, ponies, and carts belonging to every moveable column, ambulances, dooly-bearers, and pannier-mules, could be transferred by railway wherever they might be required; their places being supplied temporarily, wherever necessary, by hired carriage of the district. Such hired carriage could be cheaply obtained for work near the homes of the owners. It would ordinarily be inadvisable or impossible to transfer elephants and camels from moveable columns to any great distance; and therefore the general mobility of the army will be increased by making the moveable column carriage consist, as far as possible, of mules, ponies, and light carts of uniform pattern. In our scheme for moveable columns, we would leave the kind of carriage to be maintained at each station to be settled by a committee under the orders of the Lieutenant General commanding the army corps. Mules, ambulances, carts, harness, and pack-saddles would have to be Government property. Camels and ponies might generally be the property of private persons; but the attendants on such animals would have to be enlisted and disciplined just as in the case of animals belonging to Government.

Regimental transport to be maintained on frontiers.

429. We consider that the plan by which regiments of the Punjab Frontier Force and mountain batteries always maintain sufficient transport for the whole corps to take the field at a few hours' notice in the lightest marching order, or for half the corps to march out fully equipped, ought to be extended to all troops guarding any external frontier exposed to attack. Under this arrangement, half carriage would have to be constantly maintained for—

	Artillery Batteries.		Cavalry Regiments.		Infantry Regiments.		Sapper Companies.
	Horse and Field.	Mountain.	British.	Native.	British.	Native.	
Beluchistan Frontier	1	2⅓	-	2½	1	4	2
Punjab Frontier	5	5	-	9½	5	21	3
Assam Frontier	-	-	-	-	-	3	—
Burma Frontier	-	2	-	-	2	4	1
TOTAL	6	9⅓	-	12	8	32	6

Out

Out of these frontier troops, 12 infantry regiments of the Punjab Force and all the mountain batteries already maintain half carriage, while the Native cavalry regiments are always ready to take the field, provided that extra means of carriage are furnished for their reserve ammunition, their sick, and their hospital equipment. The addition of 35 Government mules or ponies to the establishment of Native cavalry regiments on the frontier would cost, inclusive of attendants, 5,600 rupees a year per regiment, or 67,200 rupees a year in all; and we think this addition should be made to the establishment of the Native cavalry regiments on the frontier.

430. There would remain to be provided with standing carriage six batteries of horse and field artillery, eight regiments of British infantry, 20 regiments of Native infantry, and six companies of sappers. Half carriage for this force, with a due proportion of sick carriage, would cost about 11,88,000 rupees a year. The particular type of carriage to be maintained at each station would have to be decided by special committees convened for each army corps. There would be great differences in this respect according to local circumstances. As in the case of the moveable columns, this carriage would be, as far as possible, in regimental charge. All mounted corps, and probably all Native troops, would be able to keep their carriage under regimental officers. But the carriage for British infantry regiments would have to be kept in charge of the Commissariat officers, subject to the orders of the regimental commander. The officers of the Commissariat and Transport Department would be responsible for inspecting and paying, through the regimental transport officer, the Government carriage with regiments, for supplying casualties, and for reporting to the regimental commanders any shortcomings in the management and custody of the *matériel* or animals. Frontier corps transport could be employed for Government or regimental purposes in or near the station; but this transport would not be available for hire to private persons, or for duty other than regimental reliefs and carriage of military stores and supplies. It would be understood that all Government carriage in regimental charge was available for Government purposes under the control of the Commissariat officer, subject to the orders of the officer commanding the station. All followers belonging to regimental Government carriage would be enlisted and clothed as in the case of followers belonging to moveable column carriage. Non-commissioned officers or soldiers sent with detachments of regimental carriage on other than regimental duty would receive "working pay" for the period of such duty.

See Appendix XLIX.

431. The moveable columns, and the carriage of one-half of all the frontier forces having thus been arranged for, it remains for us to state what reserves of Government transport we propose to keep at selected centres. Those centres should be on the main railway lines, so that the reserve transport could, with the exception of elephants and camels, be easily transported to any point where concentration is ordered. The proposed centres have been selected, and allotments of reserve carriage have been made, with reference to the needs of possible future campaigns, to the requirements of large cantonments for station work, to facilities for hiring out and utilising reserve carriage, and to the need for carriage reserves near hill sanataria, whence troops have to be moved to the railway before they can be placed in the field. We propose to keep at 11 centres, reserve carriage equal to a carrying power of 20,960 maunds, with hospital bearers and ambulances, distributed as per details given in Appendix L. We have allotted to the reserve centres a large proportion of dooly-bearers, ambulances, and other sick carriage, because the *matériel* and *personnel* of an effective ambulance corps must be organised beforehand. The total cost of this reserve carriage will be 14,45,400 rupees a year. It must be left to committees to settle, under the orders of the Lieutenant-General commanding the army corps, what description of carriage should be maintained at each reserve centre. It will be recollected, however, that camels cannot easily be transported to remote points of concentration; and that, as every part of India abounds with bullock-carts, which can be either hired or bought when war breaks out, there is no necessity for maintaining Government bullock carts in time of peace. There seems to be no doubt that the best form of reserve transport are light mule or pony carts. We propose, having regard to the cost and unsuitability of elephants, that not

Reserve transport centres.

more than 80* elephants should be maintained at reserve centres. A part of the reserve carriage at each centre would be kept available for the moveable column, and would, as far as possible, be placed in regimental charge, subject to the supervision of the local commissariat officer and his transport assistant. The rest would be sent on detachment, under native officers or non-commissioned officers, for Government work at neighbouring stations, would be used for plying on hill or other roads; or would be let on hire to the postal or other Departments. For instance, mules from the nearest reserve centres would be detached to the hill station of Ranikhet, Chakrata, the Simla and Murree hills, for the work of carrying water to barracks. Mule carts from the reserve would undertake the postal parcel* service on all the hill roads, and would be let out to municipal and local bodies, and to the Public Works Department at such rates as the commissariat officers might settle. All Government stores should, when possible, be carried by the reserve transport. Ambulances would be detached to stations where carts for carrying invalids to the hospitals are required, while ambulance mules could work in cart trains, the ambulances being kept in store at the reserve centre. Reserve camels would be let out to carry grain or other merchandise on neighbouring traffic routes. Dooly bearers would all be employed in pulling punkahs, as hospital attendants, or on other station work at reserve centres, or at neighbouring garrison towns.

* *This makes the total number of elephants maintained for the Indian Army, exclusive of elephant carriage, which may be kept for frontier regiments in Assam and Burma, to be 238 in all, thus:—*

Elephants for moveable columns, as per Appendix 48 -	88
Elephants for frontier stations, as per Appendix 49 -	70
Elephants for reserve centres, as per Appendix 50 -	80
	238
To these may be added the elephants kept for regimental carriage on the Burma and Assam frontier, which will probably amount to about - -	162
Giving a Grand Total of - -	400

It will be easy to maintain this reduced strength of elephants by purchases in the market, and by arrangement with private persons to whom licenses to catch elephants in Government forests may be given. Already such licenses contain conditions binding the hunters to give a proportion of their captures to Government at a fixed price. It will, therefore, be unnecessary to maintain costly Government kheddas or elephant catching establishments.

* The Director General of Post Offices anticipates that he can employ from 400 to 900 carts on this duty. *See* Appendices 51 and 52 in regard to employment of transport by Post Office and municipalities.

Cost of transport officers.

432. The cost of the Government carriage, as estimated in appendices, provides for a due proportion of headmen and gangmen among the drivers and attendants, who will be enlisted for the animals and vehicles maintained by the Government. But the charge on account of transport officers, European and Native, is not included in those estimates. We propose that the transport officers with moveable columns, as well as all officers and non-commissioned officers employed with regimental carriage, should remain on the combatant lists of their regiments, that they should not be seconded, and that each officer should stay for a short time only on transport work. We quite see that it might in some respects be better for regimental discipline, if transport officers were seconded, and belonged to a separate department; but we do not think that such seconding is absolutely necessary; we are sure it would be costly; and we anticipate much good from a large number of European and Native officers gaining experience in transport work. The only officers to be seconded would be those at the reserve centres, and the chief transport officers at army corps headquarters. The commissariat officers will be permanent departmental officers, and they will be able to maintain the due continuity of the system, even though their transport assistants may change every two or three years. We estimate the cost of staff pay to transport officers at about 86,400 rupees a year in peace time, thus:—

	Rs.
10 transport officers at reserve centres, at an average of 6,000 rupees pay, plus staff pay of 2,400 rupees a year -	84,000
10 transport officers at larger moveable column stations, at 1,200 rupees a year - - - - - - - -	12,000
Horse allowance at 360 rupees a year to 40 battery and regimental British officers - - - - - - -	14,400
Horse allowance at 180 rupees a year to 200 Native officers, and to British and Native non-commissioned officers -	36,000
Rs.	1,46,400

Native veterinary practitioners.

It would, no doubt, be desirable that a staff of Native veterinary practitioners (salutris) should be told off to the moveable columns, reserve centres, and chief frontier stations. But at present there is no supply of these men available. In another part of the report we have advocated the establishment of one or more veterinary schools for Natives. When the passed students of such schools, or other Native veterinary practitioners are available, not less than 50 (at an average cost of 150 rupees a year each) should be attached to the transport service and ambulance corps. The cost of these salutris would bring the special staff of the transport and ambulance service up to 1,53,900 rupees a year.

Total cost of standing transport.

433. The total cost of the transport service and ambulance in time of peace would, according to our scheme, be—

	Rs.
Moveable columns, as per Appendix 48 - - - - -	6,63,720
Frontier corps, transport, and ambulance, as per Appendix 49 - - - - - - - - - - -	11,88,260
Reserve transport centres, as per Appendix 50 - - -	13,57,400
Four chief transport officers with four army corps, 600 rupees staff, in addition to staff corps pay of about 800 rupees - - - - - - - - - -	67,200
Transport staff, as per preceding paragraph - - -	1,53,900
	34,30,480
From this may be deducted the estimated saving caused by employing the Assam coolie corps on public works, dooly-bearers in punkah-pulling and other station work, and by the hire of reserve transport let out to private persons, or to Government Departments - - - - - -	5,00,000
Net Cost - - -	29,30,480
Which shows a saving of - - - - - - - -	8,33,451
On the total present expenditure of, as stated in paragraph 415 - - - - - - - - *Rs.*	37,63,931

Commissions' proposal intended only as an outline.

Our estimate of the cost of carriage per maund is intended to provide for a due proportion of smiths, carpenters, and leather-workers (mochis), who would be attached to the several moveable columns, frontier carriage establishments, and reserve centres. A part only of these absolutely necessary artisans would be kept on duty during peace time; the remainder being kept on reserve pay, and allowed to earn their living at their homes. All such artisans, whether in active employment, or in reserve, should be regularly enlisted and provided with a uniform, and should be told off to distinct sections of the Government standing carriage.

434. We would explain that we by no means advise that the tables of carriage given in Appendices 48 to 50 be accepted as the final allotment and distribution of Government standing transport. We consider that the details of such distribution should be considered by a competent committee for each army corps, and that the precise nature of the *matériel* and *personnel* to be kept at each station or reserve centre should be carefully arranged in detail. We merely present these statements to show how the general scheme of standing carriage which we advocate could be worked out in detail, and how much it ought to cost. We have shown only the annual cost of the carriage. There will be some outlay on providing new *matériel*, such as ambulances and light carts. Towards meeting a part of this charge, which will be spread over two years, the yield by sale of surplus elephants, estimated at 9,00,000 rupees, will be available. But the initial outlay for improved *matériel* or animals will, we anticipate, considerably exceed this sum. However, some expenditure of the kind is unavoidable; and we believe that the saving and advantage to be gained on future outbreaks of war, will more than compensate for such outlay.

Mobilization of Government transport.

435. Such being the transport establishment which we propose to maintain in time of peace, it remains to recommend a system on which this establishment and organisation can be ex-

panded in time of war. We have provided, on the whole, permanent Government transport for 49,030 maunds of baggage, &c., with ambulance arrangements* for 2,866 sick and wounded. We consider that two-thirds of the moveable column carriage, one-third † of the frontier forces carriage, three-quarters of the reserve centre carriage, and four-fifths of the ambulance arrangements ought to be available for despatch to any theatre of war or any point of concentration. The officer charged with the custody or inspection of Government transport should always have ready a detailed scheme for putting the transferable portion of this transport on a war footing, and for despatching it by rail to previously appointed places of concentration. The steps necessary for putting Government carriage on a war footing would be to raise the number of attendants on pack-animals by 50 per cent.; to allot 10 per cent. of spare drivers and animals to the ambulances and cart.; to place selected Native non-commissioned officers and soldiers from the regiments in garrison in charge of sections ‡ of the carriage; and to make over to the European or Native officer in charge of the transport contingent a sufficient staff of salutris (Native veterinary practitioners), smiths, carpenters, and leather workers (mochis), with a due proportion of spare wheels and other spare pieces. Each transport contingent should leave its station fully equipped, and should not depend on finding any part of its equipment at the place of concentration. When full concentration from all parts of India was ordered, there would be assembled (at any selected base) carriage for 29,566 maunds and ambulance appliances for 2,293 men. This would suffice to furnish § regimental transport for 19,000 men of all arms, and would leave trained transport equal to 6,566 maunds as a nucleus for departmental requirements.

* We provide altogether for 1,054 doolies, 273 ambulances, and 360 camel and mule panniers.

† Probably Burma and Assam frontier carriage could not ordinarily be made available for concentration in India. Nevertheless, it seems safe to reckon that, on the whole, one-third of the frontier carriage might be temporarily withdrawn.

‡ The extra attendants and spare animals would be made up partly from the carriage not mobilised, and partly by men specially hired for the purpose. This mobilisation of a part of the standing carriage on a war footing could be done at two or three days' notice, provided that the scheme for so doing had been previously, in time of peace, worked out and settled down to the smallest details.

§ The 19,000 men would be composed thus: 6,000 Europeans at two maunds a-piece, 10,000 native infantry at one maund a-piece, and 3,000 native calvary, who would require only 1,000 maunds of Government carriage in addition to their own regimental means of transport.

436. The Government transport would, however, have to be largely supported and supplemented by special means in time of war; this would of necessity have to be done by hiring carriage in the districts nearest to the seat of war. We do not advocate the expenditure of money on retaining fees to carriage in time of peace. If mules, camels, and carts exist at all in a district, they will be forthcoming on payment of sufficient hire or price in time of war. Peace will, henceforward as heretofore, be the rule, and war the exception in India. We believe it will be cheaper, and as efficient, to register carefully all means of carriage (including dooly-bearers) in time of peace, and then to offer liberal rates of hire in time of war; or, if this is impossible, it will even be cheaper to purchase transport on an emergency. The transport officers of every district, and of every army corps, should, in concert with the civil officers, maintain registers, to be corrected every 10 years at the census time, of the quantity and type of carriage available in every district, and of the time it would take to collect. The proportion of carriage which each district or other territorial section should furnish ought to be settled beforehand, so as to leave little opening for misconduct on the part of the petty officials charged with the duty of collecting transport when the time came. Schemes for raising transport trains from local carriage, with details of the number of transport officers (European and Native) to be drawn from the garrison regiments of each district command would, under this system, be kept ready for all the probable theatres of war, would be in the hands of the local military and civil authorities, and would be corrected from time to time.‖

Raising of special transport for a campaign.

‖ *See* Appendix 53 for return of transport available in districts within 48 hours and within a fortnight.

437.¶ In time of war all transport from the districts to the base of operations should be organised and maintained by the Commissariat Department, and should, as far as possible, be formed upon the

¶ Organisation of units of transport in war time.

the system of stages. The regimental and departmental carriage beyond the base, however, should be on a military organisation, and should be under the control of the Director of Field Transport. The Director would be immediately under the orders of the General Commanding in the field; he would have under him for departmental carriage one transport officer for every 1,000 animals, a staff* of Native officers and soldiers, of gangmen and drivers for every 100 animals, and a due proportion of salutris and transport artizans. The regimental and battery carriage would be, as far as possible, in regimental charge, but would still remain subject to the general control of the Director and his officers, and it would have its complement of Native inspectors brought up to the war strength of one non-commissioned officer and one sepoy for every 100 animals. The Native officers, non-commissioned officers, and sepoys detailed for transport duty in the field would be drawn from regiments left in garrison: they would, as far as possible, be men who had graduated as transport inspectors in time of peace, and they would receive a pony allowance and staff pay, besides rations. We attach the greatest importance to having a sufficient staff of trustworthy Native non-commissioned officers and soldiers told off to, and responsible for, regimental and departmental transport in the field. Experience in large transport operations in time of war, and in time of famine, has abundantly shown that a strong supervising establishment conduces to economy, as well as to efficiency, in all undertakings of the kind. In an enemy's country the Native transport inspectors would be armed with breech-loading pistols and swords. All the attendants on the hired carriage should be enlisted and clothed as regular followers for the time being, and a per-centage of all transport followers in the field, according to the character of the country, should be armed with spears or short swords, as the men preferred one weapon or the other. Bamboos with spear-heads can easily be improvised, and a sufficient proportion of spearheads should be kept in store. It appears to us to be useless to arm all followers; for instance, there can be no object in arming all dooly-bearers with swords, which merely impede their movements, and which they do not know how to use.

* It is of the utmost importance to the successful working of any transport system in the field that its organisation should be strong, and should be military. For a command of 1,000 transport animals in the field, the proportion of European superintendence and of Native soldiers to the trained and untrained followers for the pack transport of advanced columns would be as follows:—

1 European officer.	4 Muccadums.
1 Sergeant (1st class inspector).	100 Trained and enlisted followers of peace establishment.
1 Writer.	
1 Native officer.	400 Untrained followers.
2 Havildars.	1,000 Mules and camels.
2 Naiks.	
25 Privates.	

Artificers according to regulation.

The result of such an organisation would be an incalculable saving of animals and stores. Moreover, a general manœuvring within striking distance of an enemy, would be enabled to effect his movements promptly and precisely, without that confusion which always exists amongst unorganised masses of followers, and acts prejudicially upon the military objects of the moment. For lines of communication, the proportion of drivers to pack animals would be 1 to 3.

438. Transport allotted to regiments and batteries on service and field hospitals would, as far as possible, consist of regularly organised Government carriage. But if the field army was very large, then a proportion of the regimental carriage would be hired, but would be organised precisely as the Government transport. Wherever possible a section of each transport officer's party of departmental transport would consist of Government carts and animals, so that the discipline and organisation of the Government transport might permeate and be felt throughout all the the field transport. When hired transport was taken across the sea, or to foreign countries, the owners should be offered the alternative of selling their carriage at a fair price, to be paid at their homes, in the event of its crossing the border.

* Hired and Government transport to be worked together.

439. It is not intended that the Commission should trouble the Government of India with recommendations on points of minute detail, and it will be the duty of the chief transport officer of each army corps gradually to work up the details of the transport organisation and *matériel* to the highest perfection compatible with strict

* Details for improving transport service must be worked up hereafter.

economy. The reports furnished to the Commission, especially a pamphlet by Colonel Mignon, Commissary General, Bombay, are replete with suggestions on points of detail connected with transport work. We may draw attention to the following recommendations, among others, namely:

See Appendix 54.

(*a.*) That artillery ammunition should be packed so that it could, on necessity, be transferred to pack animals.

(*b.*) That an improved and more durable pattern of bag be devised for carrying gram, other supplies, and small articles, on camels and mules; so that four of such bags would, when filled, form a load for a camel, and two would form a load for a mule.

(*c.*) That bags with compartments be used for carrying entrenching tools instead of the small wrought-iron panniers recently introduced.

(*d.*) That a lighter class of tents be devised which, when complete, would suffice for hot weather in the plains of India, and which, by rejection of the double-roof and accessories, could be made available for service in Cabul or other cold-weather campaigns.

(*e.*) That definite authority be given to certain officers of the transport service to weigh loads, reject excess, and report the person responsible for such excess to his immediate superior.

(*f.*) That experiments be made with compressed provisions for man and beast, with a view to determining beforehand, and in peace time, how far, and for what campaigns, such provisions could be economically used, and by what procedure supplies could be promptly obtained when need arose.

No. 1. (a.)

GENERAL ORDER by the Government of India, No. 247, dated 19th March 1861.

Resolution.—In the Letters noted in the margin, the Military Finance Commission submitted to Government several arrangements respecting the organisation of the moveable columns.

Military Finance Commission, No. 2153, dated 10 August 1860.
Military Finance Commission, No. 2469, dated 14 September 1860, paras. 30–35.

In paragraphs 18 to 23 of the Letter from the Military Department to the Adjutant General of the Army, No. 782, of the 18th October 1860, annexed to this Resolution, Government expressed its concurrence generally in the views of the Commission, and in paragraphs 20 and 21 enjoined arrangements by which the greater efficiency of the moveable columns was insured.

It is now resolved to carry into effect the several arrangements proposed, and it is accordingly directed that the strength and composition of the columns in the three Presidencies shall, for the present, be organised as follows:—

BENGAL.

9 Batteries of artillery field pieces, 54;
9 Battalions of European Infantry, 7,650 non-commissioned rank and file;
6 Squadrons of European Cavalry, 840 non-commissioned rank and file;
12 Battalions Native Infantry, 8,400 non-commissioned rank and file;
6 Squadrons Native Cavalry, 780 non-commissioned rank and file;

with seven day's supplies of all kinds for Europeans, and two day's rations, &c., for Native ranks as well as horses, together with spare ammunition at 60 rounds per man for infantry and 20 rounds for cavalry; sick carriage, &c., being provided at five per cent. of the above strength.

MADRAS and BOMBAY.

The total strength of the moveable columns at both these Presidencies is not, together to exceed one-third of the strength fixed for the Bengal Presidency, but with such modifications in the strength of the different arms composing the columns, as from local circumstances may appear necessary, supplies, ammunition, and sick carriage being in the same proportion as ordered for Bengal.

The Commander in Chief in India, and the Commanders in Chief of the Madras and Bombay armies will, under the approval of the Government of India and of the Governments of Madras and Bombay, fix upon the stations at which these columns shall be kept up in the Presidencies of Bengal, Madras, and Bombay, and will likewise define the strength and composition of each column, and the arrangements necessary, in conformity with the views of the Government of India, for keeping them in a state of efficiency and in readiness for immediate movement. The Commissary General will, in pursuance of this Resolution, take immediate measures to reduce the establishments now maintained for moveable columns to the scale necessary for the strength above stated, and distribute them to the stations that his Excellency the Commander in Chief may fix on as those which, from the paucity of ordinary carriage or other circumstances, most require such provision.

Ordered, That a copy of the above Resolution be transmitted to the Governments and authorities named in the margin, for information, with a request that the reductions may be promptly carried out, and the expenditure to be incurred for the moveable columns under this arrangement, as well as the stations to which they are distributed, early reported; the civil, political, and military conditions on which the several columns are formed being also stated.

Government, Fort St. George.
Government, Bombay.
Quartermaster General of the Army.
Commissary General.
Inspector General of Ordnance.

The Military Finance Department will issue to the Departments under its control such subsidiary orders respecting the financial arrangements involved in the above Resolution as may be necessary, and will suggest any for which the authority of the Government of India may be required.

EXTRACT from a Letter from the Secretary to the Government of India, Military Department, to the Adjutant General of the Army, No. 782, dated 18 October 1860.

18. The Letter, No. 2153 of the 10th of August last, on the subject of moveable columns, alluded to in paragraph 30, was communicated to you with my letter, No. 714, of the 20th August 1860. To some extent the views of the Commander in Chief on the moveable columns have been conveyed in your Letter No. 1446 A., of the 8th September last.

19. The Commission proceed, in paragraphs 30 to 35 inclusive, to enter particularly into the subject of moveable columns, and the total strength at which they might be maintained in the three Presidencies. The Governor General begs to know whether the Commander in Chief has any objection to offer to the scheme of the Commission in regard to moveable columns in Bengal in particular, and also in regard to those in Madras and Bombay. The Governments of those Presidencies have already been addressed on this subject, and their attention to the practicability of reducing the moveable columns to the extent proposed by the Military Finance Commission will further be specially desired.

20. In connection with this fact of the subject, I am directed to state, for the information of the Commander in Chief, that it has been suggested by the Commission that, in order to enable commanding officers and others to become personally acquainted with the actual requirements of moveable columns, with the arrangements for their equipment, their carriage, and the necessary supplies of all descriptions, and to ensure the active and intelligent co-operation of all

the parties concerned, whether belonging to regiments of which the columns are composed, or to departments employed in their equipment and march, a practice may be forthwith established of ordering out each moveable column occasionally for the purpose of exercise, that in times of tranquillity they may become so accustomed to move, that, when required to turn out under the sudden call of duty to quell any disturbance, everyone may know his place, and clearly comprehend what he has to do, and that confusion and disorder may thereby be avoided.

21. The Governor General in Council considers this to be a most useful suggestion, and one well calculated to ensure the efficiency of the moveable column.

22. His Excellency in Council will be prepared to sanction the expense which must attend the exercise of the moveable columns and other incidental outlay; satisfied that the money so disbursed will far more than repay its value by the greatly increased efficiency of the available force, and the perfect readiness at all points for immediate calls of service, which will thus be acquired by the officers and men, and the whole of the establishments attached to moveable columns.

23. Under this system the cattle establishment attached to moveable columns will possess all the advantages of a transport train or baggage corps, with this essential superiority over any such train, that commanding officers will have under their own constant observation the cattle on which they are to depend, and that the instruction of the drivers of the cattle will proceed simultaneously with that of the troops with which they are to be associated on service in the field.

No. 1 (*b.*).

REPORT of the Military Finance Commission, dated Calcutta, the 10th August 1860; No. 2153 (Moveable Columns).

In preparing our estimate of military expenditure for the current year, we find the establishments of cattle and Native servants for the movement of troops still maintained in the three Presidencies to be very large, Moreover, the scale on which these are kept up varies greatly in different parts of India, and as appears to the Commission, in a greater degree than is unavoidable from local circumstances; the restoration of peace and the consequently increased facility of obtaining carriage, lead us to think that some modification in these establishments may be contemplated by Government, and we trust that the magnitude of the charge will justify us in submitting the matter to Government. In Bengal the amount stood on 1st May, at about 70 lacs per annum, in Madras 25 lacs, in Bombay 25 lacs, in all 120 lacs. We believe that praiseworthy reductions are being made in Bengal by the Commissary General, and also by the Madras Government, but we cannot define the ultimate limit to which reductions should proceed, until the points we are about to submit have been decided.

2. We find that establishments of cattle and servants as above described are, or should be, entertained in sufficient numbers to carry supplies, ammunition, and baggage for that portion of the troops which are held to compose moveable columns, as also for a part of the camp equipage and ammunition of the rest of the troops generally, which can be considered therefore as only partially moveable. We propose to advert separately to the carriage and establishment of servants for each of the above general purposes.

3. First, as regards carriage for the supplies, ammunition, and baggage for the moveable columns, we find that it is frequently maintained for the entire established strength of a battalion or wing, which includes sick or non-effective men who could not actually move, but in some stations it is maintained only for a specific number of men who could really move. The latter rule would appear

appear to be in exact accordance with actual military requirements, and we apprehend that Government may intend it to be followed at all stations. We would therefore beg to inquire whether we may estimate the number of moveable columns for which carriage is to be kept up, not at the established strength, but at the effective moveable strength. For instance, at present carriage is kept up for a battalion of 1,041 men, whereas we believe it should be maintained for only 800 bayonets, who would be really effective, and so on. If instead of battalions or wings, specific numbers were fixed for moveable columns at every station in India, then a large saving would be effected in our estimate for cattle.

4. We observe also that in connection with the moveable columns carriage is kept up for 200 rounds of spare ammunition, in addition to the 60 rounds which the men would carry in pouch. His Excellency Lord Clyde recently informed us that it would suffice to keep carriage for only 60 rounds. We beg to inquire whether we may frame our estimate on this understanding.

5. Next we note that carriage is kept up for supplies for a month or 15 days in Bengal, and we believe for 10 days in Madras and Bombay; now we learn from the Commissariat Department that carriage could be procured in the country generally within a week for moveable columns; we would therefore, inquire whether it will suffice to estimate carriage for supplies for one week at all stations throughout India, except in some cases where special circumstances may be found to exist.

6. Further, in the Bengal Presidency, carriage is at present kept up for supplies for rations for Native soldiers and Native camp followers with the moveable columns, but this is not the case in Madras, nor, as far as we are aware, in Bombay. Now we learn from the Commissary General that in the Bengal Presidency rations for natives can at any moment be obtained in the country, and we would therefore solicit permission to exclude this charge from our estimate.

7. We observe also that there are diversities in the numbers of followers allowed for the same duty in the several Presidencies. For instance, in Madras 25 men are allotted to a tent, while for a tent of the same dimensions 16 are allowed in Bengal; and again in Madras and in Bombay only half the number of Lascars are allowed in proportion to men, as compared to the Bengal Presidency. Further inquiry as we proceed will doubtless bring more detailed differences to light. We would solicit permission to revise these establishments in connection with the moveable columns in consultation with the proper authorities, and to include the revised scale with savings in our estimate.

8. Furthermore, we observe that the establishments of men for carrying the sick with the moveable columns much depends on the extent to which ambulances drawn by cattle can be substituted for doolies carried by men. In the Madras Presidency ambulances and sick carts have been recommended for nearly all the sick; a scale of two-thirds has been recommended by his Excellency the Commander-in-Chief for the Bombay Presidency. We believe that this arrangement will conduce to economy. In the Bengal Presidency ambulances were prepared during the last campaign, but we regret to find that the medical authorities have objected to them, although, as these conveyances have springs, they appear to be suitable. If improvements, however, are required, these can be introduced on the model of the ambulance so much approved and in use with European armies. We therefore solicit orders as to whether we may calculate on the substitution of ambulances for doolies in Bengal, in the same proportion as in the other Presidencies, and we beg to offer further observations as follows:—

9. The above are general points on which we hope to be favoured with instructions, whatever may be the decision on the other points which we are about to submit.

10. We have carefully examined the existing establishments for moveable columns at every station in the three Presidencies, and find that in the Bengal

Presidency moveable columns of strength as below are kept up at the following stations:—

North-Western Provinces -	Meerut - -	½ Troop Royal Artillery. 1 Company European Infantry. 300 Men Native Infantry. 4 Troops European Cavalry.
	Cawnpore -	3 Companies British Infantry. 3 Companies Indian Infantry. 2 Guns Light Field Battery. ½ Regiment Irregular Cavalry.
	Bareilly - -	2 Guns Light Field Battery. 200 Men Bengal Infantry. 1 Regiment of Cavalry.
Oudh - - -	Lucknow - -	4 Light Field Guns. 2 Squads Dragoons. 1 Wing European Infantry. 1 Wing Native Cavalry. 1 Wing Native Infantry.
	Sultanpore -	3 Companies Bengal Infantry. 3 Companies Police Infantry and one Squadron Police Cavalry.
	Seetapore -	2 Light Field Guns. 1 Wing Irregular Cavalry. 3 Companies European Infantry. 1 Wing Native Infantry.
	Fyzabad - -	4 Guns one Troop Royal Artillery. 1 Wing Hodson's Horse. 1 Wing British Infantry. 1 Company Punjab Infantry.
	Roy Bareilly -	2 Companies European Infantry. 2 Guns Light Field Battery. 2 Companies Native Infantry. 1 Wing Hodson's Horse.
	Gonda - -	1 Regiment Bengal Infantry. 1 Troop Bengal Horse Artillery. 1 Regiment Hodson's Horse.
Punjab - -	Lahore - -	Head Quarters and 1 Troop Horse Artillery. 1 Battery Royal Horse Artillery. Head Quarters and 1 Company Artillery. 2 Regiments European Light Cavalry. 1 Regiment Pathan Cavalry. Head Quarters and Right Wing Bengal Infantry. 1 Regiment Bengal Infantry. 1 Regiment Native Infantry. Punjaub Infantry Depôt.
	Govindghur -	1 Wing Bengal Infantry. 3 Companies European Artillery, No. 16 Light Field Battery. 1 Wing extra Goorkha Regiment.
	Sealkôte - -	1 Wing of British Infantry. 2 Troops Dragoons and 2 guns of Horse Artillery.
	Jullumdur -	Detachment British Infantry. Detachment Artillery with 2 Guns. Detachment Punjaub Infantry.
	Umballah -	1 Regiment British Infantry.
	Mooltan - -	49 European Artillerymen and 2 guns of Volunteer Field Battery Royal Artillery. 100 Men Bengal Fusiliers. 204 Men Punjaub Infantry. 100 Men Native Cavalry. 100 Men Native P.P. Horse.

Punjab—*continued.*	Peshawar -	1 Troop Horse Artillery. 1 Regiment Bengal Infantry. 1 Regiment Punjaub Infantry. 1 Regiment Irregular Cavalry.
	Jhelum - -	1 Regiment Native Infantry.
	Rawul Pindi -	37 Men Horse Artillery. 100 European Infantry. 200 Men Native Infantry. 80 Men Irregular Cavalry.
Gwalior Division	Morar - -	1 Light Field Battery, Heavy Gun Battery. 2 Squadrons Irregular Cavalry. 1 Regiment Native Infantry. 1 Wing European Infantry. Gwalior Camel Corps.
	Sepree - -	1 Squadron Irregular Cavalry. 100 Men Native Infantry.
	Goonah - -	150 Men Native Infantry.
	Jhansi - -	4 Guns Light Field Battery. Heavy Battery European Artillery. 300 Men European Artillery. 500 Men Native Infantry. 2 Squadrons Irregular Cavalry.
	Sullutpore -	2 Companies European Infantry. Wing Irregular Cavalry. Wing of Native Infantry.
	Seronge - -	357 Men Native Infantry. 286 Men Native Cavalry.
	Saugor - -	3 Companies Her Majesty's Bengal Infantry. 3 Guns. 2-1 Horse Artillery. 3 Companies Native Infantry. 2 Squadron Irregular Cavalry.
	Malthone - -	1 Company Native Infantry.
	Rathghur -	1 Company Native Infantry.
	Nagode - -	2 Guns. 1 Company European Infantry. 1 Squadron Cavalry and 2 companies Native Infantry.
Central India -	Emtamebad Mayhere.	1 Company Native Infantry.
	Nowgong - -	2 Guns. 1 Company European Infantry. 1 Company Native Infantry. 1 Squadron Irregular Cavalry. 1 Company Native Infantry.
	Jubbulpore -	2 Guns. 2 Companies European Infantry and 1 Troop Irregular Cavalry. 3 Companies Native Infantry and 1 Troop Irregular Cavalry.
	Dumoh - -	1 Company Native Infantry.

11. Whether at the present time moveable columns should be maintained at all these stations is a military question on which we do not venture to offer an opinion; but we solicit instructions as to whether we are to estimate for carriage for the columns as above laid down, or whether any revision is to be awaited before framing our estimate. We may be permitted to observe that the number and strength of the columns in Oudh and the Punjaub appear very considerable as compared with those in the North-Western Provinces and the Gwalior

division and in Central India, also there appear to be numerous small columns at various places for which carriage is maintained.

12. We observe that at some stations the moveable column consists of the entire force, European and Native, there located, as at Lahore and at Peshawar, for instance; but we feel doubtful whether this can be really intended by Government, inasmuch that from neither of these stations could the entire force be moved at once again. At Umballah we find that the whole of the European Infantry belongs to the moveable column, and here again we apprehend that independently of non-effectives, the whole effective force would not be moved at once, as a portion must be left to guard the station.

13. We learn from the Commissary General, that at Lahore carriage in abundance is procurable at very short notice. This being the case, carriage for a comparatively small moveable column might suffice at that station; and perhaps the necessity for maintaining the moveable column at Umritsur, within 40 miles of Lahore may be doubtful. In reference to the moveable column maintained at Mooltan, it is to be observed that there also carriage can be obtained quickly and in abundance from the country.

14. It would appear that at several stations in the Bengal Presidency the proportions of Artillery, Cavalry, and Native Infantry in the moveable column are in excess of the usual scale proportionally to the European Infantry. If the proportions of these arms were rightly revised for the moveable columns some saving in carriage might be effected.

15. In the Madras Presidency moveable columns are maintained at the following stations, being considerably less both as regards strength and carriage, than were maintained a short time previously.

		Troops of European Horse Artillery.	Battalion of Artillery.	Wing of Dragoons.	Wings of Light Cavalry.	Wings of European Infantry.	Regiment of Native Infantry.	Total.
Bangalore	Numbers	1	–	1	–	1	1	–
	Europeans	115	–	353	–	539	2	1,009
	Natives	–	–	–	–	–	841	841
Bellary	Numbers	–	1	–	1	1	1	–
	Europeans	–	146	–	2	539	2	689
	Natives	–	33	–	194	–	841	1,068
Hyderabad	Numbers	1	–	1	–	1	1	–
	Europeans	115	–	353	–	539	2	1,009
	Natives	–	–	–	–	–	841	841
Nagpore	Numbers	1	–	–	1	1	1	–
	Europeans	115	–	–	2	539	2	658
	Natives	–	–	–	194	–	841	1,035
Total	Numbers	3	1	2	2	4	4	16
	Europeans	445	146	706	4	2,156	8	3,465
	Natives	–	33	–	388	–	3,364	3,785

In addition to the above there are two small detachments at Mallipooram and Calicut comprising two companies of European Infantry and one company of Native Infantry, stated to be in readiness for movement, but for these only carriage bullocks are kept up. The whole moveable force of the Madras Presidency, including these detachments, comprises a total of 3,579 Europeans, and 3,869 Natives. There are also cattle maintained for two small siege trains, the entire establishment of cattle for moveable columns siege trains and reserves being as shewn in the margin.*

* 46 Elephants.
1,302 Camels.
1,645 Draught bullocks.
2,175 Carriage bullocks.
176 Forage bullocks.

16. Bearing in mind the importance of the stations of Bangalore, Bellary, Hyderabad, and Nagpore, we apprehend that moveable columns will be maintained there if anywhere. The strength and composition of the columns seems to be ordinary, and if strength for which carriage is kept up be limited to *actual effectives*, then some saving in carriage may be effected as compared with the existing transport establishment.

17. In

17. In the Bombay Presidency moveable columns, composed as below, are maintained at the following stations:—

Poonah	1 Troop Horse Artillery. 2 Batteries European Artillery. 2 European Infantry. 2 Native Infantry.
Malligaum	1 Detachment Mountain Train. 1 Native Infantry.
Ahmednuggur	1 European, and 1 Native Battery and European Head Quarters. 1 Detachment Mountain Train. 1 Squadron European Cavalry. 1 Wing European Infantry. 1 Regiment Native Infantry.
Sholapore	1 Battalion European Artillery. 1 Native Cavalry. 1 Native Infantry.
Belgaum	1 Battalion European Artillery. ¼ European Infantry. 2 Native Infantry.
Ahmedabad	1 European and 1 Native Battery. 1 Native Cavalry. 7 Companies European Infantry. 2 Native Infantry.
Diesa	1 Troop Horse Artillery. 1 Squadron European Cavalry. 1 Squadron Native Cavalry. 1 European Infantry. 1 Native Infantry.
Mhow	1 Troop Horse Artillery. 1 Battery European Artillery. 1 Wing European Cavalry. 1 European Infantry. 2 Native Infantry.
Neemuch	1 Battery European Artillery. 1 Detachment European Cavalry. 3 Squadrons Native Cavalry. 6 Companies European Infantry. 1 Native Infantry.
Nusseerabad	1 Troop Horse Artillery. 1 Battery Native Artillery. 1 Light Cavalry. 1 Native Cavalry. 1 European Infantry, 1 Native Infantry.
Aden	1 Battery European and 1 Native Artillery. 1 Wing European Infantry. 1 Native Infantry.

Whether carriage for all these columns is needed in the present circumstances of that Presidency, is a matter on which we cannot offer an opinion. But the number of the stations where the columns are maintained would appear considerable, as compared with the Madras Presidency.

18. While in the Madras Presidency, carriage is kept up for the moveable columns, consisting of only one regiment of European Cavalry, and two battalions of European Infantry, in the *Bombay* Presidency the moveable columns appear to comprise seven battalions of European Infantry, and three regiments of European Cavalry. In the Southern Mahratta country alone, moveable columns are kept up at three stations, viz., Poona, Belgaum and Sholapore; moreover, there are moveable columns at three stations of Central India, viz., Neemuch, Nusseerabad, and Mhow, in addition to the moveable columns of the Bengal Army in Central India.

19. We would beg to be favoured with a revised schedule of each station in the three Presidencies where a moveable column is to be kept up, with the *number of men, European and Native,* of *each arm,* for which carriage is to be maintained.

20. Passing on from the moveable columns we now advert to the carriage maintained for the rest of the troops in the three Presidencies.

21. We note that large establishments have heretofore been kept up for ordnance siege trains. In the Bengal Presidency it has been decided, with approval of His Excellency the Commander-in-Chief, that carriage shall be kept up for 25 heavy field pieces, and for ammunition, on the scale marginally noted.

216 rounds per gun.
96 do. per howitzer.
100 do. per mortar.

This arrangement will conduce to great economy; but in order to enable us to estimate with certainty, we would now beg to inquire whether we may expect to receive instructions for estimating on a similar scale for Madras and Bombay. If, in accordance with the relative strength of the forces in the several Presidencies, the number of heavy field pieces were fixed for Madras and Bombay in the same proportion as for Bengal, we hope to effect a saving in the estimate for Bombay, but less for Madras, as great reductions have already been effected in that Presidency.

22. In the next place, we feel some doubt whether any carriage need be kept up for the rest of the troops in those parts of the country where moveable columns are maintained, and where carriage in the districts is abundant. This is the case in most parts of the North-Western Provinces and the Punjaub, and in some districts of the Madras and Bombay Presidencies; at the Presidency stations of Calcutta and Bombay, and at Kurrachee, there are also such advantages of steam and rail that scarcely any carriage need be kept up for any portion of the troops. The same remark applies also to some extent to the Presidency Station of Madras. In this respect, then, the question resolves itself into one of carriage, and we would inquire whether we have permission, in consultation with the Commissariat authorities, to reduce to a minimum the cattle kept up for the rest of the troops at all places where moveable columns exist, and where facilities for obtaining carriage are abundant.

23. But even where some carriage must be kept up for the rest of the troops (exclusive of moveable columns), the general principle (however largely it may be deviated from) appears to be, that carriage should be kept up for *camp equipage,* and for that alone, of half the troops at those stations where moveable columns do *not* exist. So far as we can judge from the rules and practice in the several Presidencies, the principle would be generally admitted; and we are assured by the Commissary General that, with the existing facilities for obtaining carriage in the country, the scale above laid down will suffice. Now we find that carriage is often kept up in excess of this, sometimes for all the troops, sometimes for the rest of the troops at stations where moveable columns already exist, and sometimes for other things besides camp equipage, such as stores, ammunition, &c.; we would, therefore, solicit instructions as to whether we may understand the general rule above mentioned, namely, that carriage may be kept up only for camp equipage of half the troops where moveable columns do not exist, to be applicable, with such special local modification as may be needed, to all the three Presidencies; we believe that it will be found generally applicable, because in those places where additional carriage is required, moveable columns are kept up. If we are permitted to estimate accordingly, a considerable saving will be effected, and we would endeavour to apply the rate with due discrimination. We have abstained, from the fear of encumbering this reference, from mentioning detailed instances we have discovered in the returns, but we may state confidently, carriage in excess of the above rule is maintained, more or less, in one way or another, at most stations in the three Presidencies.

24. In estimating the carriage for the rest of the troops, exclusive of the moveable columns, we would desire to take the actual numbers of effective men in the same manner as for the moveable columns.

25. The

25. The cattle kept up for carriage is sometimes hired and sometimes the property of Government, and we will endeavour to insure the adoption at each station of whichever method is the most economical.

26. Further, we would observe that in the season when reliefs take place, and troops are marching from station to station, additional carriage is sometimes hired for the troops as they move, although carriage belonging to moveable columns is available at many stations; now we apprehend that this cattle might be employed advantageously for the use of troops when moving, and thus a saving in hire of extra carriage will be effected. This we believe to be particularly the case in North-Western India.

27. If we should be favoured with early instructions on the various points submitted in this reference, we hope to frame an estimate of these extensive establishments for all India with tolerable accuracy, and to show large reductions of expenditure.

No. 1 (*c*).

EXTRACT from Report, No. 2,469, dated 14th September 1860, from the Military Finance Department of India to the Viceroy and Governor General of India in Council.

30. By our letter, No. 2,153, of the 10th August 1860, we submitted a variety of proposals in detail, regarding moveable columns and army transport generally. We have since had the advantage of communicating personally with His Excellency the Commander-in-Chief on the subject, and we have obtained from the Commissary General a return of the cost* of transport and marching establishments actually required for a moveable column, according to the latest revision. This scale will, we hope, meet His Excellency's views, and we append a copy† for facility of reference.

31. In Bengal this scale, at the present strength of moveable columns, will reduce the cost of transport from 38 lakhs, as per regulation scale, to 15 lakhs per annum, the existing strength of columns being as follows:—

12 troops European Artillery.
14⅓ regiments European Infantry.
2⅕ „ „ Cavalry.
17 „ Native Infantry.
12½ „ „ Cavalry.

32. But in order to calculate the cost of transport for moveable columns, it is necessary to submit approximately the strength of those columns. This, we know, involves some military experience; but as the matter becomes ultimately one of transport and marching establishments, and the cost thereof, we would venture, with all all due deference to military considerations, to submit that it will suffice to maintain transport and marching establishments for the following effective troops in the Bengal Presidency, if his Excellency the Commander-in-Chief should approve:—

9 batteries Artillery.
9 battalions European Infantry.
6 squadrons European Cavalry.
12 battalions Native Infantry.
6 squadrons Native Cavalry.

For this the cost of maintaining transport and marching establishments would amount to 9½ lakhs per annum. Thus the reduction to 9½ lakhs from 38 lakhs (the regulated expenditure) would show a saving of 28½ lakhs per annum.

33. In

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* From Commissary-General. Appendices A nd B.
† To Commissary-General. No. 2,268, 21st August 1860. From Commissary-General, No. 600, 29th August 1860.

33. In the Madras Presidency the charges on this account have been already reduced from 23 lakhs of rupees to 8 lakhs per annum, and we believe that further reduction is contemplated; perhaps 2 lakhs more might be saved.

34. In the Bombay Presidency the adoption of a similar scale would not allow of a larger expenditure than that of Madras, *i.e.*, 6 lakhs. This, upon a present expenditure of 25 lakhs, would give a saving of 19 lakhs per annum.

35. The saving then on transport and marching establishments may be thus shown, as compared with the present Regulation scale:—

	Lakhs.
Bengal	28½
Madras	2
Bombay	19
TOTAL lakhs	49½ per annum.

But if the moveable columns be strictly defined on the above scale, it will be necessary to provide transport for the various civil departments, and for the camp equipage and stores of the troops generally. The exact cost of this can never be calculated until we shall be favoured with instructions as to the exact strength and scale of transport of these columns.

36. We may conclude with an abstract statement of the probable annual saving which might be effected if our proposals were carried out:—

	Lakhs.
Native Army	100
Artillery	30
European Troops	52
Transport	49½
TOTAL lakhs	231½

APPENDIX.

No. 2,268.

The Military Finance Department to the Commissary General, Calcutta.

Sir, Calcutta, 21 August 1860.

WITH reference to the statement enclosed in your letter, No. 35, dated 5th May 1860, showing the troops by arms on half and full equipments, and the cost of the cattle, &c., required for the services of the troops, I have the honour to request you will review the calculation of cost for the troops by calculating the cattle and establishment to be maintained as follows:—

A regiment of European Infantry, 850 non-commissioned rank and file.
A regiment of European Cavalry, 550 non-commissioned rank and file.
A regiment of European Cavalry, 550 horses.
A regiment of Native Infantry, 700 Native commissioned and non-commissioned rank and file.
A regiment of Native Cavalry, 390 horses.
A battery of Artillery at 6 guns, each gun at 20 non-commissioned rank and file, and 25 horses.
Rations, arrack, and hospital diet articles, for Europeans, for 7 days.
Spare Ammunition, 60 rounds for Infantry.
" " 20 rounds for Cavalry.
Artillery without spare wagons.
Medical comforts and medicines for 7 days.
Baggage of non-commissioned officers and men at half kit.
Sick to be left behind, calculating 5 per cent. of effective men to fall sick during the campaign.
Hospital clothing, bedding, cooking utensils, for 5 per cent. sick.
Two days' rations for natives.
Gram for horses for two days.

Officers

Officers' carriage to be allowed the same for all ranks; the scale that of a subaltern.

27 Officers for a regiment of European Infantry.
20 „ „ „ Cavalry.
1 Officer for every 2 guns.
14 Officers for a regiment of Native Infantry.
5 „ „ „ Irregulars.

The carriage for arms of sick being calculated at the rate of sick men, as above stated.

The Bearers, Sirdars, Mates, Lascars, Bhisties, and Bildars being all calculated on reduced scale as above.

2. The Commission will be glad to receive the revised calculation as soon as possible, as the Government wish for an early report on the expenditure.

3. The Commission will also be glad to see the Comparative Statement of the cost on the above scale contrasted with one on the scale shown by the Statement of your letter, No. 35, dated 5th May 1860.

I have, &c.
(signed) *G. Balfour*, Colonel,
President, Military Finance Commission.

No. 600.

The Commissary General to the Military Finance Commission.

Gentlemen, Fort William, 29 August 1860.

With reference to your letter* No. 2,268, dated 21st August 1860, I have the honour to annex two abstracts, marked (A.) and (B.), the latter with five supplementary detailed statements, and trust they will answer the purposes of your Commission.

(signed) *W. B. Thomson*, Lieut.-Colonel,
Commissary General.

(A.)

Abstract showing the Cattle and Establishments required for Troops, calculated for their Regulation Strength on the Scale prescribed in G. G. O., No. 654, of 1854.

Corps.	Elephants at *Rs.* 50 each.	Camels at *Rs.* 8 each.	Lascars at *Rs.* 5 each.	Bhisties at *Rs.* 5 each.	Bildars at *Rs.* 3-8 each.	Sirdar Doolie Bearers at *Rs.* 6 each.	Mate Doolie Bearers.	Pole and Banghy Bearers.	Cost Monthly.
									Rs. *a.* *p.*
A battery of Artillery - - -	7½	210½	18	2	2	–	1	68	2,443 – –
A regiment of European Infantry	43	968	87	20	10	5	12	585	12,894 – –
„ „ Cavalry	37	1,552	65	20	10	4	10	483	15,732 – –
„ Native Infantry -	9	370	10	..	–	1	–	57	3,694 – –
„ „ Cavalry - - -		21	4	–	–	1	–	33	324 – –
									35,087 – –

The above provides, as per G. G. O., No. 653, of 1854, for camp equipage, 200 rounds of ammunition, and stores of all sorts for one month.

(signed) *W. B. Thomson*, Lieut.-Colonel,
Commissary General.

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* Subject: Cattle and Establishments for Troops.

(B.)

ABSTRACT showing the Cattle and Establishments required for Troops, calculated for the Strength and on the Data furnished by the Military Finance Commission, in Letter No. 2,268, dated 21st August 1860.

CORPS.	Elephants at *Rs.* 50 each.	Camels at *Rs.* 8 each.	Lascars at *Rs.* 5 each.	Bhisties at *Rs.* 5 each.	Bildars at *Rs.* 3-8 each.	Sirdar Doolie Bearers at *Rs.* 6 each.	Mate Doolie Bearers at *Rs.* 5 each.	Pole and Banghy Bearers at *Rs.* 4 each.	Cost Monthly.
									R *a.* *p.*
A battery of Artillery - - -	8	52	13	2	2	–	1	32	1,031 – –
A regiment of European Infantry	37	249	66	18	9	1	5	249	5,320 8 –
„ „ Cavalry	27	252	45	18	9	1	3	159	4,369 8 –
„ Native Infantry -	9	95	–	–	–	1	–	57	1,444 – –
„ „ Cavalry -	- -	16	–	–	–	1	–	32	214 – –
									12,379 – –

(signed) *W. B. Thomson*, Lieut.-Colonel,
Commissary General.

ABSTRACT STATEMENT showing the Cattle and Establishments, and Costs thereof, of Moveable Columns of the strength as per Abstract A.

CORPS.	Elephants.	Camels.	Lascars.	Bhisties.	Bildars.	Sirdars.	Mates.	Bearers.	Amount Cost Per Month.
									Rs. *a.* *p.*
$12\frac{2}{3}$ Troops European Artillery -	95	2,667	228	25	25	–	12	861	30,942 8 –
$14\frac{3}{16}$ Regiments European Infantry	615	13,842	1,244	286	143	71	171	8,365	1,84,377 8 –
$2\frac{1}{5}$ „ „ Cavalry	82	3,414	143	44	22	8	32	1,062	36,880 – –
$17\frac{11}{20}$ „ Native Infantry -	158	6,493	175	–	–	17	–	1,000	64,821 – –
$12\frac{1}{2}$ „ „ Cavalry -	- -	262	50	–	–	12	–	412	4,066 – –
TOTAL - - -	950	26,678	1,840	355	190	108	215	11,700	3,21,087 – –

			Rs. *a.* *p.*
950 Elephants - -	at *Rs.* 50 each per Month	- -	47,500 – –
26,678 Camels - - -	at „ 8 „ „	- -	2,13,424 – –
1,840 Lascars - - -			
355 Bhisties - - -	at „ 5 „ „	- -	12,050 – –
215 Mate Bearers - -			
108 Sirdar Bearers	at „ 6 „ „	- -	648 – –
11,700 Pole Bearers -	at „ 4 „ „	- -	46,800 – –
190 Bildars - - -	at „ 3-8 „ „	- -	665 – –
	Monthly Total - - -	*Rs.*	3,21,087 – –
	TOTAL per Annum - -	*Rs.*	38,53,044 – –

(signed) *W. B. Thomson*, Lieut.-Colonel,
Commissary General.

ABSTRACT STATEMENT showing the Cattle and Establishments, and Cost thereof, of Moveable Columns as per Abstract B.

CORPS.	Elephants.	Camels.	Lascars.	Bhisties.	Bildars.	Sirdars.	Mates.	Bearers.	Amount Cost Per Month. Rs. a. p.
$12\frac{2}{3}$ Troops European Artillery -	101	659	165	25	25	–	12	405	13,039 8 –
$14\frac{3}{10}$ Regiments European Infantry	529	3,560	944	25	129	14	71	3,560	76,065 8 –
$2\frac{1}{5}$ „ „ Cavalry	59	554	99	39	20	2	6	350	9,584 – –
$17\frac{11}{20}$ „ Native Infantry -	158	1,667	–	–	–	17	–	1,000	25,338 – –
$12\frac{1}{2}$ „ „ Cavalry -	– –	200	–	–	–	12	–	412	3,320 – –
TOTAL - - -	847	6,640	1,208	174	45	45	89	5,727	1,27,347 – –

		Rs. a. p.
847 Elephants - -	at *Rs.* 50 each - - - -	42,350 – –
6,640 Camels - - -	at „ 8 „ - - - - -	53,120 – –
1,208 Lascars - -		
321 Bhisties - -	at „ 5 „ - - - - -	8,090 – –
89 Mate Bearers -		
45 Sirdar Bearers -	at „ 6 „ - - - - -	270 – –
5,727 Pole Bearers - -	at „ 4 „ - - - - -	22,908 – –
174 Bildars - - -	at „ 3-8 „ - - - - -	609 – –
	Monthly - - - *Rs.*	1,27,347 – –
	TOTAL per Annum - - *Rs.*	15,28,164 – –

(signed) *W. B. Thomson*, Lieut. Colonel,
Commissary General.

REGIMENT OF NATIVE INFANTRY.

14 European Commissioned Officers; 2 European Non-Commissioned Officers; 700 Native Commissioned and Non-Commissioned Officers, and Rank and File.

Details for	Elephants.	Camels.	Lascars.	Bearers. Sirdar.	Bearers. Mate.	Bearers. Pole and Banghy.
Camp Equipage—A - -	9	–	–	–	–	–
Baggage—B - - -	- -	70	–	–	–	–
Ammunition—C - -	- -	11	–	–	–	–
Arms and Sick—D - -	- -	4	–	–	–	–
Medicines — per Medical Code - - - -	- -	1	–	–	–	–
Conveyance of Sick—E. -	- -	–	–	1	–	56
Rations of Troops—F. -	- -	9	–	–	–	·
TOTAL - - -	9	95	–	1	–	56

	Elephants.
A.—Camp Equipage:—	
2 Staff Serjeants' Tents - - - - - - - - -	1
48 Pauls - - - - - - - - - -	8
Total - - -	9

		Camels.
B.—Baggage:—		
For European commissioned officers, 14, at one camel each -		14
Mess 14, at 4 maunds each, 56 maunds divided by 5 - -		12
„ European non-commissioned officers - - - -		2
	Maunds.	
„ 20 Native commissioned officers, at 1½ maunds each - - - - - -	30	
„ 60 Havildars, 2 Native doctors, at 20 seers each - - - - - - - -	31	
„ 583 Rank and File, at 10 seers each -	145¾	
Total* - - -	206¾	42
Total - - -		70

C.—Ammunition:
700 Men at 60 rounds each. 42,000, divided by 4,000 - - - 10½

D.—Arms of Sick:
4 Camels, or half usual allowance, with reference to reduced per-centage of sick.

	Brs.	Sdrs.	Mate.
E.—Conveyance of Sick:			
1 Doolie per company, 10 Doolies with - -	60	1	1
Less in permanent employ - - - -	4	–	1
Required - - -	56	1	–

F.—Rations:
700 Men for 2 days equal 1,400 men or days, at 1 seer 3½ chks. each, equal 42 mds, 12 srs, equal 9 camels.

(signed) *W. B. Thomson*, Lieut. Colonel,
Commissary General.

A Battery of Artillery.

3 Commissioned Officers, 2 Staff Sergeants, 120 Non-Commissioned Officers and Rank and File and 150 Horses.

Details for	Elephants.	Camels.	Quartermaster's Establishment.			Bearers.		
			Lascars.	Bhisties.	Bildars.	Sirdar.	Mate.	Pole and Banghy.
Camp Equipage—A - - - - - -	8	–	–	–	–	–	–	—
Baggage—B - - - - - - - - -	- -	15	–	–	–	–	–	—
Cooking Utensils—per Troop - - - -	- -	1	–	–	–	–	–	—
Small Arm Ammunition—per Troop - -	- -	1	–	–	–	–	–	—
Pawlins & Troop Stores—per Troop - -	- -	4	–	–	–	–	–	—
Scales and Weights - One set - - - -	- -	1	–	–	–	–	–	—
Veterinary Stores—per Troop - - - -	- -	1	–	–	–	–	–	—
Arms of sick—European Infantry note D -	- -	4	–	–	–	–	–	—
Medicines—per Troop - - - - - -	- -	1	–	–	–	–	–	1
Hospital clothing—bedding and cooking utensils	- -	4	–	–	–	–	–	—
Conveyance of sick—C - - - - - -	- -	–	–	–	–	–	1	31
Rations—rum for men for 7 days, D - -	- -	7	–	–	–	–	–	—
Hospital comforts for 7 days, say - - -	- -	2	–	–	–	–	–	—
Gram for Horses for 2 days—E - - -	- -	–	–	–	–	–	–	—
Commissariat Department - - - -	- -	5	–	–	–	–	-	—
Baggage of Officers—F - - - - - -	- -	6	–	–	–	–	–	—
Quartermaster's Establishment - - -	- -	–	13	2	2	–	–	—
Total - - -	8	52	13	2	2	–	1	32

* Total, 665. 700, less 5 per cent.

	E.P. Tents.	S.S. Tents.	Pauls.
A.—Camp Equipage for—			
2 staff sergeants		2	—
120 non-commissioned rank and file, at 16 to a tent	8	—	—
Quarter and rear guards	2	—	—
Hospital	1	—	—
Apothecary's and steward's stores	1	—	—
Assistant apothecary		1	—
Necessary tents			1
TOTAL	12	3	1

	Elephants.
12 Europe pattern tents	6
3 staff sergeants' tents and 1 paul	2
TOTAL	8

	Camels.
B.—Baggage:	
2 staff serjeants	1
120 non-commissioned rank and file, less 5 per cent., equal 114, at 8 to a camel	14
TOTAL	15

	Bearers.	Mate.
C.—Conveyance of Sick:		
122 men, at 20 to a doolie, equal 6 doolies	36	1
Less in permanent employ	5	—
Required	31	1

	Camels.
D.—Rations and Rum:	
120 men, for 7 days, equal 40 men or days, at 2 lbs. 9 ozs. each, equal 26 mds. 30 seers	5
Fire-wood for 1 day, at 3 lbs. each, equal 4½ mds.	1
Rum for 7 days, 840 men, at 2 drs. each, equal 42 gallons, or	1
TOTAL	7
E.—Gram for Horses:	
150 horses, for 2 days, equal 300 horses or 2 days, at 5 seers each, equal 37½ mds.	1
F.—Baggage of Officers:	
3 officers, at 1 camel each	3
Mess, 3, at 4 mds. each, equal 12 mds.	3
TOTAL	6

Quartermaster's Establishment:

For 15 E.P. and S.S. tents, at 1 lascar each, equal 15 lascars, less 2 in permanent employ.
2 bheesties and 2 bildars per troop.

(signed) *W. B. Thomson*, Lieut. Colonel,
Commissary General.

A Regiment of Native Irregular Cavalry.

5 Commissioned Officers, 390 Native Commissioned and Non-Commissioned Officers, and Rank and File.

Details for	Camels.	Bearers.		
		Sirdar.	Mate.	Pole and Banghy.
Ammunition—A. - - - - - - -	2	–	–	–
Medicines—per Medical Code - - - -	1	–	–	1
Conveyance of sick—B. - - - - -	–	1	–	31
Arms of sick—Note—Native Infantry - -	4	–	–	–
Baggage of officers—C. - - - - -	9	–	–	–
Per Art. 46, sec. XXII., Code of 1849, 4 lascars extra.			•	
Total - - -	16	1	–	32

	Camels.
Ammunition, Pistol:	
390 men, at 20 rounds each, equal 7,800 rounds, at 6,000 per camel - - - - - - - - - - - - -	2

	Sirdar.	Mate.	Bearers.
Conveyance of Sick:			
6 Troops, at a dooly per troop, equal 6 doolies, with - - - - - - - - - -	1	1	36
Less in permanent employ - - - -	- -	1	5
Required - - -	1	- -	31

	Camels.
Baggage of Officers:	
5 officers, at 1 camel each - - - - - - - -	5
Mess, 5 officers, at 4 mds. each, equal 20 mds. - - - -	4
Total - - -	9

(signed) *W. B. Thomson*, Lieut. Colonel,
Commissary General.

A Regiment of European Cavalry—9 Troops.

20 Commissioned Officers, 7 Staff Non-Commissioned, and 550 Non-Commissioned and Men.

Details for	Elephants.	Camels.	Quartermaster's Establishment.			Bearers.		
			Lascars.	Bhisties.	Bildars.	Sirdar.	Mate.	Pole and Bangly.
Camp equipage—A	27	–	–	–	–	–	–	—
Baggage—B	–	68	–	–	–	–	–	—
Cooking utensils—1 camel per troop	–	9	–	–	–	–	–	—
Troop stores and paulins—4 camels per troop	–	36	–	–	–	–	–	—
Veterinary stores—per corps	–	1	–	–	–	–	–	—
Scales and weights—for 2 sets, at 1 camel each	–	2	–	–	–	–	–	—
Ammunition—C	–	11	–	–	–	–	–	—
Arms of sick—Note D.—European Infantry	–	4	–	–	–	–	–	—
Medicine—Note E.—European Infantry	–	3	–	–	–	–	–	1
Hospital clothing—bedding and cooking utensils	–	18	–	–	–	–	–	158
Conveyance of sick—D	–	–	–	–	–	1	3	—
Rations for 7 days—E	–	20	–	–	–	–	–	—
Rum for 7 days—F	–	4	–	–	–	–	–	—
Hospital comforts for 7 days—G	–	2	–	–	–	–	–	—
Gram for horses for 2 days—H	–	28	–	–	–	–	–	—
Commissariat Department	–	10	–	–	–	–	–	—
Baggage of officers—I	–	36	–	–	–	–	–	—
Quartermaster's establishment—J	–	–	45	18	9	–	–	—
Total	27	252	45	18	9	1	3	159

Camp Equipage for	E. P. Tents.	S. S. Tents.	Pauls.
7 staff serjeants	–	7	—
550 men, at 16 to a tent	35	—	—
Standard and rear guards	2	—	—
Hospital, at 1 per 100 men	1	—	—
Apothecary's and steward's stores	1	—	—
Apothecary, steward, assistant apothecary, and hospital apprentices	–	4	—
Necessary tents	–	–	2
Total	44	11	2

	Elephants.
44 Europe pattern tents	22
11 staff serjeants' tents—2 pauls	5
Total	27

Baggage for—	Camels.
Serjeant major, quartermaster serjeant, schoolmaster serjeant, at half-camel each	1½
4 staff serjeants, 550 non-commissioned rank and file, 554, less 5 per cent., equal 526, at 8 men to a camel	66
Total	67½

Ammunition—Pistol Ammunition: 550 men, at 20 rounds each, equal 11,000, at 6,000 rounds per camel	11

	Bearers.	Mates.	Sirdars.
Conveyance of Sick:			
557 men, at 20 to a doolie, equal 28 doolies, at 6 bearers each	168	3	2
Less in permanent employ	10	- -	1
Required	158	3	1

	Camels.
Rations:	
557 men, for 7 days, equal 3,899, say 3,900 men or days, at 2 lbs. 9 oz. each, equal 76 mds.	15½
Fire-wood for 1 day, at 3 lbs. per man, equal 21 mds.	4½
TOTAL	20
Rum:	
3,900 men, at two drs. each, equal 195 gallons, at 50 gallons per camel	4
Hospital Comforts:	
557 men, for 7 days, barley, arrowroot, sago, 43 lbs. / Wines, &c., 7 dozen, say	2
Gram for Horses:	
557 horses, for 2 days, equal 1,114 horses or days, at 5 seers equal each, equal 139½ mds. divided by 5	28
Baggage of Officers:	
20 officers, at 1 camel each	20
Mess, at 4 mds. per officer, 80 mds. divided by 5	16
TOTAL	36

Quartermaster's Establishment:

55 E.P. and S.S. tents, at 1 lascar each, less men in permanent employ, 2 bhisties and 1 bildar per troop; 18 bhisties, 9 bildars.

(signed) *W. B. Thomson*, Lieut. Colonel,
Commissary General.

A REGIMENT OF EUROPEAN INFANTRY.

27 Commissioned Officers, 1 Sergeant Major, 1 Quartermaster Sergeant, 5 Staff Sergeants, 850 Non-Commissioned and Rank and File.

Details for	Elephants.	Camels.	Quartermaster's Establishment.			Doolie Bearers.		
			Lascars.	Bhisties.	Bildars.	Sirdar.	Mate.	Pole and Banghy.
Camp equipage—A	37	–	–	–	–	–	–	–
Baggage—B	–	103	–	–	–	–	–	–
Cooking utensils—1 camel per 100 men	–	9	–	–	–	–	–	–
Ammunition—C	–	13	–	–	–	–	–	–
Arms of sick men—D	–	4	–	–	–	–	–	–
Medicines—E	–	3	–	–	–	–	–	1
Hospital clothing—bedding, cooking utensils	–	25	–	–	–	–	–	–
Conveyance of sick—F	–	–	–	–	–	1	5	248
Rations for 7 days—G	–	25	–	–	–	–	–	–
Rum for 7 days—H	–	6	–	–	–	–	–	–
Hospital comforts for 7 days—I	–	2	–	–	–	–	–	–
Commissariat Department	–	10	–	–	–	–	–	–
Baggage of officers—J	–	49	–	–	–	–	–	–
Quartermaster's establishment—K	–	–	66	18	9	–	–	–
TOTAL	37	249	66	18	9	1	5	249

	E. P. Tents.	S.S. Tents.	Pauls.
A.—Camp Equipage for—			
7 staff sergeants		7	—
850 non-commissioned rank and file, 16 men to a tent	53	—	—
Quarter and rear guards	2	—	—
Hospital, at 1 per 100 men	9	—	—
Apothecary's and steward's stores	1	—	—
Apothecary, steward, assistant apothecary, hospital apprentices		4	—
Necessary tents			2
TOTAL	65	11	2

	Elephants.
65 Europe pattern tents	32½
11 Staff sergeants tents-} 2 pauls	4½
TOTAL	37

	Camels.
B.—Baggage:	
Sergeant major, quartermaster sergeant, schoolmaster serjeant, half-a-camel each	1½
4 Staff serjeants, 850 non-commissioned rank and file, equal 854, less 5 per cent., equal 811, 8 men to a camel	101½
TOTAL	103
C.—Ammunition:	
850 non-commissioned rank and file, at 60 rounds each, equal 51,000, divided by 4,000 rounds to a camel	13

D.—Arms of Sick Men:

The authorised allotment is 2 hackeries, equal 8 camels, the sick being taken at 10 per cent.; here 4 camels or half the usual allotment are allowed, the sick being taken at half the usual calculation.

E.—Medicines:

The allowance of carriage for medicines, per para. 2, page 128 of the Medical Code, calculating 10 per cent. of effective men to fall sick, is 2 camels, 1 hackery (equivalent to 4 camels), and 1 banghy man, or 6 camels and 1 banghy man. As the number of sick is required to be taken at 5 per cent. of strength, 3 camels and 1 banghy man are allowed.

	Bearers.	Mates.	Sirdars.
F.—Conveyance of Sick:			
857 men, at 20 men to a doolie, equal 43 doolies at 6 bearers	258	5	2
Less men in permanent employ	10	—	1
Required	248	5	3

	Camels.
G.—Rations:	
857 men, for 7 days, equal 5,999, say 6,000 men or days, which, at 1 lb. soojee for bread, 1 lb. vegetables, 4 oz. rice, 2½ oz. sugar, 1⅜ oz. coffee, 1 oz. salt, 2 lbs. 9 oz. each, equal 15,375 lbs., equal 192 mds. 7½ srs., at 5 mds. per camel - - -	18½
Fire-wood for 1 day, 857 at 3 lbs., at 2,571, equal 1,285½ srs., equal 32 mds. 5½ srs. - - - - - - - - -	6½
TOTAL - - -	25

	Camels.
H.—Rum:	
6,000 men or days, at 2 drs. each, equal 300 gallons, at 50 gallons per camel - - - - - - - - - - - -	6
I.—Hospital Comforts:	
For 850 men, for 7 days, at 150 lbs. barley, 150 lbs. sago, and 30 lbs. arrowroot, for 1,000 men per month (30 days), 65½ lbs.	
For 850 men, for 7 days, at 62 doz. of beer, sherry, port, &c., per 1,000 men per month, 12 doz., or say - - - - -	2
J.—Baggage of Officers:	
27 officers, at 1 camel each - - - - - - - -	27
Mess of 27 officers, at 4 mds. each, equal 108 mds. divided by 5	22
TOTAL - - -	49

K.—Quartermaster's Establishment:

65 E. P. and 11 S. S. tents, at 1 lascar each, equal 76, less the men in permanent employ (10).

2 bhisties and 1 bildar per 100 men, 18 bhisties and 9 bildars.

(signed) *W. B. Thomson*, Lieut. Colonel,
Commissary General.

No. 2.

TELEGRAM from Viceroy to the Secretary of State, dated 29th April 1881.

PRESENT condition of army transport, and need for some definitive organisation, engage our attention. I propose to maintain transport as part of commissariat, but services of skilled officer in addition to present staff necessary to work out details, which need much care. I propose appointment of an extra deputy commissary general. Matter is urgent, as on return of Kandahar force, and Waziri expedition, large reduction of animals necessary, although some will be retained as nucleus. Proposed peace establishment not more costly than present, but should be better organised, and more efficient. Chief and Baring concur. Please reply by telegraph.

No. 3.

TELEGRAM from the Secretary of State to the Viceroy, dated 3rd May 1881.

YOURS, 29 April, Transport. I approve, on understanding that appointment is not to exceed one year; also that it involves no further charge than pay of extra deputy commissary general.

No 4.

MILITARY LETTER from the Government of India, No. 208, dated 3rd June 1881, to the Secretary of State for India.

My Lord Marquess,

WE have had for some time under consideration the Report of Lieutenant General Sir M. Kennedy on the proposed organisation of an Army Transport Service.

2. Your Lordship is aware that Sir M. Kennedy was employed as Controller General of Supply and Transport during the second phase of the late war. He drew up this report on the conclusion of the operations, and just before laying down his appointment, and it contains the fruits of his experience while holding this important charge. We transmit herewith copies of the report, but, while recognizing cordially the great ability with which it has been drawn up, we are not prepared to accept all the recommendations it contains. The experience of the war has, however, certainly made it clear that there are shortcomings in the present system of army transport which ought to be made good; while it is reasonable to expect that the great outlay which has occurred on previous occasions of war breaking out, in supplying the army with transport, might be diminished by proper arrangements deliberately made beforehand for the necessary expansion of the transport service.

3. Although we have not arrived at any definite conclusion as to all the measures which are necessary on this head, in the interests of economy and efficiency, or what precise form of organisation, or what modification of the existing system, should be carried out, we are at least satisfied that the transport service should continue, as at present, to be a part of the duties of the commissariat. But as there are many matters of detail which have to be worked out, and as the degree of efficiency and economy which can be reached will be dependent in a great degree upon the care and skill with which these are handled, we consider it necessary that a selected officer should be appointed for this duty, and we propose that he be given the rank and pay of a deputy commissary general. Your Lordship's telegram of the 3rd May 1881 accorded sanction to the appointment for one year, before the expiry of which we hope to be able to place before you a distinct expression of our opinions and recommendations on this important matter.

4. The officer selected for this duty is Lieutenant Colonel R. C. Low, C.B., 13th Bengal Cavalry, and lately Chief Director of Transport with the Kabul Field Force, and afterwards with Sir Frederick Roberts' column on the march from Kabul to Kandahar; an officer whose qualifications for such employment are well known. Lieutenant Colonel Low is now in England, but is expected to arrive by an early mail.

We have, &c.
(signed) *Ripon.*
D. M. Stewart.
W. Stokes.
A. R. Thompson.
J. Gibbs.
E. Baring.
T. F. Wilson.

Enclosure in No. 4.

MEMORANDUM proposing a permanent and organised Transport Service in India, by Lieutenant General Sir *Michael Kennedy*, K.C.S.I., R.E., Comptroller General of Supply and Transport; dated 23rd October 1880.

CONTENTS.

SECTION I.—The Administrative Union of Supply and Transport in Peace and War.
" II.—Organisation—*General Principles.*
" III.—Organisation—*Regimental Transport and Army Transport.*
" IV.—Organisation—*Machinery for Expansion of the Transport in time of need.*
" V.—Training of Transport.
" VI.—Equipment and Matériel.
" VII.—Utilisation of Transport in Government Work.
" VIII.—Cost of Present Arrangements and Proposed Organisation.

SECTION I.

I.—The Administrative Union of Supply and Transport in Peace and War.

Decision required regarding separation of union of commissariat and transport.

1. One of the first questions for decision is, whether there is to be an organized Department of Transport, and, if so, whether it is to be entirely separated from the Supply or Commissariat Department of the Army in India. The Commissariat Departments of India were established early in this century,* apparently on a French model, for the supply of all the requirements of an Indian army, including warlike stores, and even horses; and up to the campaign of 1878-79 have, with one or two exceptions, as Abyssinia, &c., had the management of the transport of the army in peace and war. The want of a permanent organisation of transport has been frequently brought forward, and in the Afghan Campaign of 1878-79 the transport arrangements under the Commissariat broke down mainly from the absence of prearrangement and system, the scarcity of experienced transport officers, and from the excessive burden thrown on the commissariat officers.

Opinion of Army Organization Commission (India) of 1879 in favour of union.

2. The question regarding the separation or union of commissariat and transport has been under discusssion for many years. The latest authority, the Indian Army Organisation Commission of 1879, has thrown the weight of its opinion on the side of union, and affirms (paragraph 425) that, in time of peace, the "transport organisation can best be managed by a branch of the great Department of Supply."

Reasons for upholding this opinion.

3. I shall endeavour to state, as briefly as possible, the reasons which have led me to adopt the same view, from a consideration of the system of other armies, and from my own independent experience of the great operations of supply and transport during the last campaign. In the first place, it may be well to point out that, when this question is discussed, those who advocate the complete separation of transport from supply generally look only to the obvious evil of burdening the existing commissariat organisation with the duties of transport as well as of supply. In this arrangement being highly disadvantageous I entirely agree; but I disagree in the conclusion arrived at in advocating the absolute separation of transport from supply, for reasons which, although of weight so long as they remain in force, are, nevertheless, removable without difficulty.

4. There

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* The Bengal Commissariat Department was founded in 1809, and that of Bombay in 1811. Previously the Paymasters acted as "Commissaries of Supplies," and the Commissary General was the head of the account and audit system. In 1788 the "Commissary General" became "Military Auditor General."

4. There is no doubt that the purchasing Army Department of the State must be the source of supply in some way or other, not only for animals, but for material, in time of peace or in preparation for war. In war the Supply Department is the agency through which transport is hired or bought, and the nature of its duties gives it a command over the country and a knowledge of its resources which no other military department can possess.

Ditto.

5. The provisioning of both men and animals must always rest with the Department of Supply; and even in the one item of collection of forage it would be a great waste of time and energy if the Commissariat had to go through the form of asking the consent of the Transport to take pack animals or carts to bring it in. The head of the Supply Department must know best what is required to be sent forward in time of war, and, under the direction of the General, he should be able to apply the means given to the transport in the best possible way. When the departments are separate every branch presses on the Transport, and there is no one to regulate the despatches according to their urgency. It has often been urged, and with apparent truth, that the breakdown in the Crimea was, in a great measure, due to the want of unity in working the various departments; and it is evident that the more the departments of the army are multiplied, the greater is the energy expended in doing the same amount of work, the greater is the friction, while the results are frequently in an inverse ratio to the number of agents employed or interposed. The Commissariat and Transport, under the separate system, correspond with each other, and an incessant contention and friction is kept up as to the business performed; whilst the mere details of handing over supplies furnished by one department to be carried by another, which again has to deliver them back at destination; the requisitions for transport regarding the necessity for, or amount of, which there may be difference of opinion between the two departments; the numerous questions between the departments which may have to be referred to the General for decision; the misfortune that such a separate system renders the Commissariat and its officers uninterested personally in transport operations, and to a great extent relieves them of responsibility as regards supplies; while the transport officers are mere carriers, and, except in that capacity, in no way concerned with supply, all tend to show that the separation by departments is undesirable, and that between the double system, important arrangements are likely to fall through, and the convenience of the forces in the field to suffer.

Ditto.

6. The carriage of supplies is the great work a transport has to perform; and the carriage of regimental equipment, ammunition, &c., is comparatively speaking, an easy task. The carriage and distribution of supplies are operations so linked, the one with the other, that they cannot properly be separated, and the experience of the past campaign has in my opinion demonstrated the necessity for their union.

Carriage of supplies, the heaviest work of transport.

7. It is worthy of note that the Duke of Wellington, in referring to the first Afghan War (9th September 1842) says—"The whole question is one of commissariat, that of commissariat one of means of transport"; and it has been observed that the tendency of the Duke's reforms was towards the model which the French adopted, and that he anticipates the idea of an "Intendant General" in his letter to Lord Bathurst of the 13th April 1813. Sir William Nott was asked to consider this very question of union or separation of the first Afghan Campaign (28th December 1842) by Lord Ellenborough; and he replied:—

Opinion of Duke of Wellington.

"One department of supply for all the wants of an Army would seem the preferable system. Its executive establishment may be strengthened in particular branches to any extent thought necessary; and thus if that branch to which the provision and charge of public cattle is now committed be thought inadequate, its organisation may be modified and improved without separating it from the Commissariat Department.

* * * * *

On occasions therefore, where large masses of public cattle are collected for employment with armies in the field, it may be worthy of consideration whether officers of the Commissariat Department might not be specially appointed to the charge of the carriage of the Army, and held directly responsible for the feeding and condition of the public

cattle. It is not a mere compiler of accounts that is required for duties of this nature, but one who should be constantly on the alert, who should look after his charge in person, and by his own activity compel a corresponding attention to their duty on the part of his assistants."

Opinion of Army Organisation Commission.

8. In time of peace, it cannot be contended that a separate system would be anything but expensive and inconvenient; and on this point I shall only refer to the remarks of the Army Organisation Commission of 1879, quoted below.*

Real question regarding union of supply and transport.

9. The question really is not whether the burden of transport shall be placed on the existing commissariat, but whether the functions of commissariat and transport shall be exercised by sub-departments of one augmented department in peace and war, or shall be entirely separate departments of the Army. It is necessary to bear this prominently in mind, because many who have affirmed the necessity for *separate* departments have merely had in view the evil of overburdening the *Commissariat* officer, as such, with transport duties in addition to his own.

Opinion of various authorities on the question.

10. Among the many high authorities who support the union of commissariat and transport, I may mention Lord Strathnairn, Lord Sandhurst, Sir Hope Grant, Sir Garnet Wolseley, Sir Duncan Cameron, Sir Charles Trevelyan, Sir William Power, Sir William Drake, Sir Edward Strickland, and other experienced officers of the English Commissariat. The opinion of the officers who gave evidence to the (Indian) Army Organisation Commission of 1879 on this question, viz., the union or separation of commissariat and transport, is about equally divided, although, I think, the weight of authority is on the side of union Among those who incline to this side are—Lieutenant General C. T. Chamberlain, C.S.I., late Commanding Oudh Division; Lieutenant General J. Forbes, Commanding Mhow Division; Major General A. W. Macintire, C.B., Commanding Hyderabad Subsidiary Force; Major General R. O. Bright, C.B., Commanding Meerut Division; Major General H. R. Brown, Commanding Saugor District; Major General J. W. Schneider, C.B., Commanding Northern Division, Bombay Army; and many experienced staff, regimental, and commissariat officers; among the latter the Commissaries general of Bengal, Madras, and Bombay. On the other side, viz., that of separation the more prominent nammes are Lieutenant General W. T. Hughes, C.B., Commanding Sirhind Division; Brigadier General G. Burrows (late) Quartermaster General, Bombay; Brigadier General F. G. Kempster, Commanding Ceded Districts; Brigadier General T. J. Murray, C.B., Mooltan Brigade.

11. Let us turn, now, to the actual and practical condition of this question in the British and Foreign armies.

Practical condition of question in England and other countries.

12. ENGLAND.—The English Commissariat, formerly under the Treasury, supplied both provisions, &c., and transport, and was also charged with financial duties. In 1854 it was transferred to the War Minister; in 1858 the civil status of the commissariat was abolished; and in 1867 the "Committee to enquire into the Administration of the Transport and Supply Departments of the Army," of which Lord Strathnairn was President, was appointed at the instance of Earl de Grey and Ripon (now Marquis of Ripon).† That Committee advised the union of the administrative departments of the army under the title of Control Department, consisting of three great branches, Commissariat, Transport, and Account. They strongly insisted on the necessity for the direction

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* "After much consideration, we have come to the conclusion that the Transport service should be a branch of the Commissariat Department, the staff of which would have to be strengthened, so as to provide for its new duties. Much has been said in favour of making the Transport service a separate department in both peace and war. But we are satisfied that the Transport organisation can best be managed as a branch of the great Department of Supply. The Commissariat officers and staff have the necessary knowledge of the requirements of animals and vehicles; their organisation already extends to every garrison and cantonment; if the Transport be recognized as a separate and important branch of Commissariat work, and, if additional and special officers and subordinates are allowed for the duty, there can be no advantage, while there would be much expense, and some inconvenience, in creating a new and separate department."

† Lord de Grey's Minute, 26th July 1864 $\frac{57}{\text{Genl. No. } 2843}$ The concentration, under administrative heads, of the various Army Departments was recommended by Earl de Grey and Ripon, Secretary of State for War, in War Office No. $\frac{40063}{1}$ of 4th December 1865, addressed to the Treasury.

direction of supply and transport under one head, both in peace and war.* Lord Northbrook's Committee of 1869-70 went a step farther, and placed "warlike stores" also under the Control Department. This department was established by Royal Warrant of the 12th November 1869. It is needless to detail the reasons which led to the modifications introduced by Royal Warrant of the 27th November 1875, whereby the title of Control Department was abolished, and the department divided into—

(*a*) The Commissariat and Transport Department;
(*b*) The Ordnance Store Department.

The War Office Committee of 1876, on the commissariat and transport arrangements for an army in the field, maintained the administrative union of the two branches; and the Royal Warrant of 31st January 1880, while giving them a more military character, has still further affirmed the union of the "Commissariat and Transport Department," has organised it as part of the staff of the army, and has, in many points, followed the organisation of the Indian Commissariat.

13. FRANCE.—In France the "Intendance" administer the transport as well as the supply of the army, although there are special departmental transport organisations for artillery, engineers, medical departments, &c. The military train ("*Train des Equipages Militaires*") is directly under the control of the Intendance.

14. GERMANY.—In each army corps in Germany there is a train battalion and a depôt of the train. The "Inspection" of the train, the charge of the depôts, and *matériel* and stores, is under the *War Minister*. The army corps "Intendant" is an officer of the General's staff, but has a double position, as his subordinate, and also as directly responsible to the War Minister.

15. AUSTRIA.—In Austria the train depôts are under an Inspector General of Military Train, who is the adviser of the War Office, and reports directly to the War Minister; the Military Train Corps provides all transport, and the *personnel* for hired or requisitioned civil transport.

16. RUSSIA.—The Intendance in Russia controls the transport for supply and army stores generally, sick transport, &c.

17. ITALY.—In Italy the Intendance has the direction of transport, and there is no independent train corps.

Examples of administrative union of supply and transport.

18. At the War Office in England there is one Director of Supplies and Transport. It was found to be necessary to unite the functions of transport and supply in the Abyssinian† and Ashantee campaigns‡; and one of the first steps the Government of India took was to appoint a Controller General of Supply and Transport at the commencement of the Afghan Campaign of 1879-80. From my own personal experience in the preparation, organisation, and subsequent direction of the supply and transport services, and also in the field, I have, even against a preconceived idea, arrived at the conclusion that it is absolutely necessary, in a sound military administration, to unite the direction of supply and transport in peace and war; to adhere and defer to the weighty precedents and authorities I have quoted above; to form one department with two branches, rather than two separate departments; and to unite these branches administratively, while keeping the executive functions separate.

19. In

* "After careful deliberations, the Committee have agreed that the Army Transport should be organised as one service, and as transport is so intimately connected with it, and is of such vital importance to supply, it must necessarily be under the direction of the officer at the head of the Administrative Staff of the army who is responsible for the supply; it would, in fact, be impossible to enforce such responsibility without giving absolute control over the means by which the supplies are collected and conveyed. The Committee accordingly recommend that Army Transport should be placed under one direction and control, to be vested in the officer responsible for the supply of the army."

† In Abyssinia it was found necessary to appoint a Controller of Supply and Transport.

‡ In China, also, the direction of Supply and Transport was, I believe, combined. Sir Garnet Wolseley says, in page 120 of his "War with China," published 1862: "Of which Department (the Commissariat) I would make the transport service a *branch*, such being by far the most natural arrangement," &c. In remarks at a recent lecture in England he deprecated placing the burden of transport on the Commissariat; but this objection does not apply to administrative union, and doubtless referred to the mistake of giving Commissariat officers, as such, the work of transport as well as their own.

Division of transport.

19. In time of war the transport of military equipment, ammunition, &c., must be (1) regimental; (2) brigade, divisional, or departmental, Commissariat, Ordnance, Engineers, Medical, *i.e.*, a certain amount of transport must be allotted for these departments; and (3) general transport. With the first two classes the administrative officers need have no concern, beyond a general supervision, as regards departmental matters, returns, accounts, &c., and beyond asking for and receiving the orders of the General Commanding, when it is necessary to employ it on other services.

A further reason for this union is the assimilation of British and Indian administrative services.

20. I have shown above, as briefly as possible, that many military authorities of great experience have decided that supply and transport should be worked as one service. I have pointed out the systems of Continental armies; but it is necessary to draw especial attention to the fact that, in the British Army this union of the services has been adopted after much deliberation and discussion, and that in the Indian service we have, in the Commissariat, a framework which only requires proper handling and development to make it efficient for peace and war. But there is, in my opinion, another and very strong reason for the union. It cannot be gainsaid that it is of the first importance to assimilate the administrative branches of the British and Indian services, in order that they may become, as far as possible, mutually supporting, and that in time of pressure the resources of one may be placed at the disposal of the other.* Fortunately this has been rendered easy by the reorganisation of the Commissariat and Transport Department at home under the Royal Warrant of the 31st January 1880, and which reorganisation appears to possess some of the best features of the Indian system, so that we shall have little difficulty in framing our improvements in order to place the Commissariat and Transport Departments of both countries on a similar footing.

Appointment of a Director of Supply and Transport in India.

21. There should be, as at the War Office in England, one Director of Supply and Transport for all India. This officer should be the responsible adviser of the Government of India in its military administration on all matters connected with supply and transport. In his hands should be gathered a knowledge of resources of the various parts of India, and of the countries where an Indian Army may have to operate. He should know how best to apply these resources, with the machinery of supply and transport existing in the three Presidencies—a machinery whose details as regards transport will be touched on in this memorandum.

He would have to make the necessary calculations for the requirements of the army in supply and transport; and would be prepared with plans for the mobilization of the transport, and the supply of the army in all situations; and for the formation, when necessary, of depôts at ports of embarkation and selected points. He should personally inspect the various transport depôts from time to time, and he should know the capabilities of every centre of supply and transport in India; the best markets and fairs; the leading contractors, and

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* "Besides other advantages to be derived from a systematic plan of organisation, there is one to which the Committee particularly desire to advert, viz., the establishment of such a system as might ultimately be extended to India, and which would admit of the officers and subordinate establishment being made interchangeable. Under such a system, the weakness of one service, Indian or British, as the case may be, may find support from the superabundant resources at the disposal of the other, when the pressure falls only on one. The administrative departments in the Crimea, though sorely pressed, were, from the entirely different constitution of the British and Indian services, unable to receive any assistance from the latter. Again, when the mutiny in India tasked the resources of every arm of the service, assistance was readily afforded to all except the administrative departments. In the expedition to Pekin, when both the British and Indian Armies supplied a contingent of troops, they were each accompanied by their own Commissariat establishment; but the organisation and system of the two services were so different, that it was found necessary to dispense with the services of the Indian Commissariat, and important elements of strength and experience were lost to the expeditionary force, and more particularly to the Indian portion of it. The Committee considers that, with a plan such as they now propose, the British and Indian services might be assimilated, so as ultimately to be mutually supporting and interchangeable; and it would be an advantage that the British administrative services should have the opportunity of acquiring practice and experience, such as is afforded by the large moveable forces and military operations in India."—(*Report of Lord Strathnairn's Committee*, 1867.) This question was brought to the notice of the Government of India in 1870 by Captain Collen, of the Military Department, now Assistant Controller General of Supply and Transport, in his memorandum on the amalgamation of the three Ordnance Departments of India."

and the best places at which to obtain supplies and equipments, and the prices at which they can be got; the products of the country for food supplies; and he should especially apply himself to utilizing the industries of India for the manufacture of transport material, gear, equipment, and clothing. He should possess knowledge of the resources of the countries outside India from which transport animals could be obtained, such as Persia; the agency for collecting them, and means of transportation to India. He should also acquaint himself with the resources, in supply and transport, of the various countries in which it is possible Indian forces may be engaged. He would be responsible to Government for true economy being practised in every detail of the department, and for a due supervision being exercised on the whole financial administration of the Supply and Transport Service in India.

The Director to be the responsible agent of the Government of India.

22. It is absolutely necessary that this officer should be charged, on behalf of the Government of India in the Military Department, with the supervision of the system throughout India. He would be responsible that questions connected with the Commissariat and Transport Department, requiring the orders of the Government of India, were placed before them for their decision. He would have no personal administrative authority, except under the orders of the Government of India; and there need be no interference on his part with the details of work now performed by the Commissaries-General of the three Presidencies. The officers of the Commissariat and Transport Staff should, under the various Generals Commanding, be responsible for the work of their own department, and their mode of conducting correspondence should be governed by the spirit of the home regulations, paragraph 52:—

"The District Commissary-General will be the medium of communication on subjects relating to the Commissariat and other services entrusted to him. All letters and communications to the War Office will be addressed to the Surveyor-General of the Ordnance (unless otherwise provided for), and will be submitted for the signature of the Officer Commanding. When, owing to pressure of business or other cause, it may be inconvenient for the Officer Commanding to sign the letters, the District Commissary-General will sign them 'by direction' of the Officer Commanding. Letters forwarding returns and other similar routine documents on departmental matters may be also signed 'by direction.'"

For "Surveyor-General of the Ordnance" it is only necessary to read "Commissary-General of the Presidency." The practice of other departments constantly intervening, and of the ordinary military staff attempting to perform commissariat and transport duties, is a grave mistake; they are not executive officers, and just as the Commanding Artillery or Engineer Officer is at the head of his particular branch, so should the Commissariat and Transport officer be, and in direct personal communication with the General, who should, as a rule, see him daily, and transact business personally, and not by correspondence issued through other staff officers. In the same way, the Quartermaster General is not an administrative officer of supply and transport. He has to make arrangements for moving and distributing troops, and for applying the means the Director of Supply and Transport arranges for. It would be impossible for him to perform the functions of a Director of Supply and Transport, in addition to his own legitimate staff duties; and the practice of several departments endeavouring, as has not unfrequently been the case, to perform the same business, is inconvenient, confusing, and does not lead to efficiency. The Director would be responsible to Government for the supervision of a great spending department, and must, therefore, be directly connected with the military administration of the Government of India. But he must, of course, be in the closest co-operation with the Quartermaster-General in India, and should be prepared at all times to furnish the Quartermaster-General with any information required by His Excellency the Commander-in-Chief, to whom reports and returns of the Supply and Transport Service would be rendered. At paragraph 189 I have recommended the formation of a permanent committee on transport matters, composed of the Adjutant-General, the Quartermaster-General, the Commissary-General, Inspector-General of Ordnance, and the Director of Supply and Transport. The above is not a personal, or even an Indian view. It is the practice of the British Army; it was upheld by both Lord Strathnairn and

Lord Northbrook's Committees,* is in accordance with the practice of continental armies, and is but a legitimate following out of the fundamental principles of sound military administration.

Arrangements for formation of a Commissariat and Transport Department.

23. There would be, as at present, three Commissaries-General, that is, one for each of the three Presidencies, who would be responsible for the combined Commissariat and Transport Department. It is not proposed to disturb the existing organization of the Commissariat Department, beyond nominating a certain number of Transport officers, who would relieve some of the present officers of the Commissariat of transport matters. These officers, with rank and pay of corresponding grades in the Commissariat Department, would, with their subordinates, and the permanent Transport kept up, constitute a sub-department of the Commissariat and Transport Department of the Army, just as the Commissariat sub-department would deal with the work of Supply. The officers of the Commissariat and Transport Department should be, as in England, officers of the Commissariat and Transport Staff of the Army.

Relations of the officers to the military authorities.

24. The relations of the officers of the Commissariat and Transport Department to the military authorities should be the same as now exist as regards the Commissariat in India and in England. The officers should be a part of the Staff, and their relations with the General Officer be governed, as in England, by the spirit of the following paragraphs 15, 16 and 17, Part I, Regulations for the Commissariat Department, 13th January 1876 :—

"15. The District Commissary-General will conduct his duties under the orders of the Officer Commanding, who will afford him free access, at all times, on questions relating to his department. The Officer Commanding, when he considers it advisable, may convey his orders by an officer of the General Staff, for which orders the Officer Commanding will be held strictly responsible.

"16. The District Commissary-General will not be warranted in departing on any occasion from his instructions upon his own authority. Should circumstances at any time render a deviation therefrom, in his opinion, necessary or expedient, before reference can be made to the War Office, he will submit the case to the Officer Commanding, and apply for a written sanction for the deviation, a full report of the particulars being made to the Secretary of State for War, as directed in paragraph 52. The District Commissary-General will be held responsible for any measure which may be adopted on his recommendation.

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*Extract from Report of Lord Northbrook's Committee of 1870 ; also evidence of Lord Herbert before Select Committee on Military Organization, 1860 :—

Chief defects at the Horse Guards.

"The following are the chief defects which have come under our notice :—

* * * * * * *

Unnecessary correspondence relating to supplies.

'Business of minute detail relating to requisitions for supplies, instead of going straight from those who require the supplies to those who can make the issue, passes through various channels to the Horse Guards, from the Horse Guards to the War Office, and from the War Office to the department which has to make the issue, thereby occasioning a large amount of unnecessary work.

Requisitions for supplies will not pass through the Horse Guards.

"It has been arranged that no requisitions for supplies" shall, hereafter, be passed through the Horse Guards to the War Office.

* * * * * * *

Opinion of Military Department (*i.e.*, Horse Guards) only necessary on important questions.

There are some questions relating to the arrangement of barracks, transport, and other matters, which require consideration in detail; and upon which we will only observe that, while it must frequently be necessary that the Secretary of State should take the opinion of the Officer Commanding-in-Chief, as his Principal Military Adviser upon questions relating both to Finance and Supply, we think that it is both unnecessary and inconvenient that the correspondence on these subjects should pass through the Military Department (*i.e.*, Horse Guards) of the War Office, instead of being addressed to the departments immediately concerned with, and responsible for, such business. The correspondence will, in future, reach the War Office from both home and foreign stations, accompanied by the recommendation of the General Officer in Command, who is necessarily an officer of great military experience ; and it will be sufficient if the Chiefs of the Supply and Finance Departments invite the opinion of the Military Department upon important or doubtful questions, before any decision is arrived at upon them."

Evidence of Lord Herbert before the Committee of 1860.

"What would be your view of a Council at the War Department under the Secretary of State ; and what should be its constitution ?—I would, first of all, divide the branches of the War Office in the following way. There would be a Parliamentary Under-Secretary and a permanent Secretary, to overlook the working of the different branches ; there would be a Secretary for military correspondence, as there is now a Director of Matériel, who would have the superintendence of the manufacture of all warlike stores, to be an officer of Artillery ; an Inspector General of Fortifications, as now, that is, a General of the Royal Engineers ; a *Director of Supplies* ; *I would have a military officer to overlook the Commissariat, Clothing and all stores which are not what are called warlike stores.* These with the Commander-in Chief, would constitute the Council. Then there would be the Accountant-General, having the finances under him ; and the Inspector of Militia and Volunteers would be separate, reporting to the Parliamentary Under-Secretary. That would be the constitution of the office.

"17. Should the District Commissary-General receive orders from the Officer Commanding which he considers to be inconsistent with War Office instructions or regulations, it will be his duty respectfully to point out this inconsistency to the Officer Commanding, and to solicit a special authority in writing for the deviation, which, being granted, must be implicitly obeyed. A report of the circumstances, together with a copy of any correspondence relating thereto, will be transmitted to the Secretary of State for War, as directed in paragraph 53."

Supreme control of Commissariat and Transport Department must be vested in the Governor-General in Council, acting through a Director attached to the Military Department of Government.

25. The control of the Commissariat and Transport Department involving the expenditure of large sums of public money, must, it seems to me, be, as heretofore in India, England, and other countries, vested in the War Ministry, represented, in the case of India, by the Governor-General in Council, acting through the agency of a directing Officer attached to the Military Department of the Government of India, and its adviser on all matters connected with the Commissariat and Transport Department. The Government cannot, even if it so desired, resign the departmental organization, and subsequent departmental control, of services constituted as those of Supply and Transport. The experience of other nations, and the precedent of the plan adopted in the British Army, are the safest guides that can, I think, be found on this important matter; and it will be seen that, in putting forward the proposals which are the subject of this paper, I have adhered, as closely as possible, to this precedent, established after years of careful consideration, and the outcome of matured experience.

SECTION II.

ORGANISATION.

General Principles.

Principles governing the proposals.

26. The main principles on which it is proposed to frame a permanent Transport service for India will now be briefly stated. The leading principle which governs the proposed organization is the establishment of a solid military framework, which can be filled in rapidly by applying, in the best possible way, the available resources of the country.

Division of transport.

27. As pointed out in Section I, paragraph 19, the division of Transport comes under three heads, *viz.*:—

Regimental.
Brigade, Divisional, or Departmental.
General.

I do not, in this Memorandum, enter into the question of transport for the sick and wounded, as it is a subject which must be dealt with in communication with the Army Medical authorities, and such transport should, in my opinion, be administered by the Medical Department.

Regimental transport.—Objections to Transport service consisting of this only.

28. It is quite obvious that it would be impossible in time of peace to keep up a full regimental transport for the whole Army in India. Even if money were no object, there would still remain the disadvantage that, as in no case could all regiments be called upon to take the field, enormous difficulties would present themselves, in collecting and reorganizing such regimental transport as could be taken from the troops remaining in garrison; for, as observed by the Duke of Wellington, "the mere readiness of the troops is nothing in comparison with the preparations required for the departments of the service." The machinery for supplementing this regimental transport from the resources of the country for the far greater requirements of the departmental and general

transport would be entirely wanting; nor could it be expected that the higher supervision of the transport in the field could be obtained suddenly from the regimental transport officers.

But necessary to maintain some regimental transport.

29. On the other hand, it is equally certain that we require to have corps stationed on, or near, the frontiers of India equipped with regimental transport; and further, that we must accustom the officers and men of the Army in India to the care, management, and exercise of such description of transport as they would have to employ on field service. This, therefore, leads to the conclusion, that, in addition to the full regimental transport with corps stationed on the various frontiers, there must be a certain amount of transport, however small, attached to the remaining corps of the Indian Army. These two classes should, in my opinion, constitute the permanent regimental transport of the Army.

Machinery required for brigade, divisional, or departmental transport, and for general warfare.

30. For the supply of deficiencies in regimental transport, and of the second and third classes of army transport as enumerated in paragraph 27 of this Section; more elaborate machinery is required, so that in time of need sufficient transport may exist, or be collected, to enable troops to move out for the repression of local disturbances; and also for the formation of depôts or nuclei, on which may be grafted the resources of the various districts, and thus furnish the Government with power to rapidly mobilize certain portions of the Army. It is considered by all authorities that this object can best be effected by a revision of the arrangements under which transport is now kept up throughout India, both for moveable or field columns, and for the work of military stations.

Permanent transport centres.

31. It is necessary, therefore, to select certain centres at which permanent transport shall be organised and maintained. At these centres we must have a permanent staff of officers and subordinates, to be augmented in time of need under previously-prepared arrangements. At these centres would be stationed a certain number of animals, pack and draught, with a number of attendants formed in a military organisation; besides these, we require, at the centres, additional gear and equipment, harness and carts, to be ready for issue when these small transport trains are expanded to meet an emergency. We must also have the power to prepare and manufacture equipments additional to those kept in store, with rapidity, and with economy consistent with the supply of good articles.

Permanent transport to be the property of Government.

32. In my opinion, it should be accepted as a principle (but this will be entered into in greater detail hereafter), that whatever transport is permanently kept up should be the property of Government; that it should consist of mules, and of good ponies (until the supply of mules is adequate) trained both to pack and draught; of a limited number of elephants; and of light and heavy carts; camels, pack-bullocks, and country carts are obtainable in large numbers, and can be hired when necessary, either for employment with troops marching, or temporarily for the practice of troops in loading, &c. At out-stations which, under the proposed scheme, are not transport centres, the regimental transport must be used for station purposes, instead of hiring the animals, as at present; supplemented by detachments from the transport centre, or, if that be too remote, by the hire of just sufficient carriage for the purpose.

Transport resources of India to be ascertained.

33. The whole of the transport resources of India should be ascertained with sufficient accuracy. The existing civil machinery should be put *en rapport* with the military organisation and superintendence of the transport, and a system should be laid down, by which on an emergency the military framework could be filled up without delay, without undue pressure on any particular province or district, and with the least possible hardship to the people. Illegal pressure, which is now resorted to, must give way to a system framed both to meet the necessities of the Government in time of emergency, and to render the burden on the population as light as possible, consistent with the recognition of the principle which, as the Duke of Wellington observes in his despatch of the 27th March 1812 to the Earl of Liverpool, is one existing alike in all countries, *viz.*, the right of the

Government

Government to call upon its subjects to furnish the means of moving those forces upon which the tranquillity or safety of the country depends. The preparation of plans for mobilising the transport after the framework has been filled in, so that all demands may be met with as little delay as possible, is also an important part of this branch of the subject.

Training of army in transport.

34. The necessity for training the officers and soldiers of the army in transport duties, just as they are trained in musketry or signalling, is now universally recognised; and the diffusing of knowledge of the management of transport is not merely requisite for the regiments themselves, but in order that we may possess a reserve of trained officers and men from those regiments remaining in garrison, upon which we may draw, to fill up the framework of the personnel of the permanent transport.

Utilization of transport for State purposes.

35. Lastly, the principle must be insisted on, that all Government transport should be utilised, as far as possible, in the service of the State generally, in order that the expense of its maintenance may be reduced to a minimum.

Present transport arrangements.

36. The authorised establishment of transport kept up in India is as follows:—

		Elephants.	Camels.	Mules.	Pack-Bullocks.
Punjab Frontier Force	Regimental	–	495	644	–
Bengal Presidency	For moveable columns	619	4,592	1,000	864
	At other stations	181	2,621	550	–
Madras Presidency	For moveable columns	52	636	400	397
	At other stations	140	51	100	636
Bombay Presidency	For moveable columns	78	731	1,137	*
	At other stations	–	41	74	–
	TOTAL	1,070†	9,167	3,905	1,897

* Also 342 draught bullocks. Artillery and siege train bullocks, and Artillery elephants, are excluded in the above Table. There are 3,205 Artillery bullocks in the three Presidencies, and 1,728 for siege trains in the Bengal Presidency alone.

† This does not include the elephants kept at the "Kheddas," and for State purposes.

Of the above, the following only are Government property:—

	Elephants.	Camels.	Mules.	Pack-Bullocks.
Punjab Frontier Force	–	495	644	–
Bengal	800	78	1,122	113
Madras	192	687	500	360
Bombay	78	226	1,211	–
TOTAL	1,070	1,486	3,477	473

The remainder are hired. There is no organisation of this transport, only a portion of the establishment are Government servants; and it is not ordinarily available beyond the districts in which it is located. There is no organisation for providing officers and subordinates in time of need, nor for providing additional men, and animals, and equipments. Everything, when need arises, has to be improvised on the spur of the moment. Even the various equipments required are not laid down by authority, so that on the occurrence of a war or an expedition no one knows what the scales allowed are, and every single item of organisation has to be discussed and decided *de novo*.

The "moveable columns" are not, as a general rule, practised in movement,* and comparatively little use is made of this amount of transport in either peace or war, except in the annual reliefs.

* *See* evidence of numerous officers given to the Army Organisation Commission.

With such an absence of organisation, it might be presumed that we should at least possess a thorough knowledge of the transport resources of the country. I do not, however, find that such is the case.

Resources of India.

37. Very little is known of these resources. Commissariat officers are supposed to keep up "resource books" of their charges; but I fear that, with the multifarious work they have to perform, this order has, in most parts of India, become a dead letter. In the Punjab, lists of resources of districts are kept up in the Military Secretary's Office, but these scarcely supply the place of a register. In the Punjab there is a tax on camels allowed to graze on Government waste lands, but the information thus obtained of the numbers is, at best, a very unreliable test; especially since of late, I believe, the Local Government has let out some considerable portions of the waste lands, for grazing purposes, by contract. In Sind also, I understand, camels are similarly registered. Carts are, I think, registered in certain places, as Madras. But this is the only kind of registration of which I am aware, and is very limited, and such as there may be of it is far from reliable. I shall allude to the great importance of procuring a knowledge of the resources of the country in some detail further on.

Hiring and purchases.

38. The hiring of animals for war purposes is open to great abuses. One man owns, or is put in charge by the owner of, several. He cannot, and does not, look after them, and the exigencies of the service may require their separation. Clothing and feeding for men and animals have to be furnished by Government, or the men and animals suffer; and the service fails. In the campaign of 1878-79, great pressure was put on owners to provide clothing for hired animals, but quite in vain; the consequence was, that many perished for want of protection, for which compensation has been, or will have to be, paid.

Great difficulty is often experienced in controlling the men, and serious difficulties are experienced in organising hired transport. The men are usually pressed into the service; as a rule, they dislike military transport work, and use every means to escape it. Hired animals have, without doubt, done good work in small numbers when attached to particular corps, or when kept together under excellent supervision, as with the transport of the Kabul Field Force in 1879-80; but, as a general rule, they are suitable only when worked on a particular portion of a line of communication, or in their own district, or located in one spot, where they are well looked after. Away from their own district, for operations of any magnitude, or for a protracted campaign, it may be said to be impossible to procure hired transport quickly in sufficient numbers.

Opinion of Duke of Wellington strongly against hiring for transport purposes.

39. The Duke of Wellington, with all his experience of hiring cattle, in his Indian Campaign, says*:—"*It is notorious that the worst mode of procuring bullocks is to hire them, and the best is to have an establishment of bullocks and drivers.*"

* Duke of Wellington's Despatches.

The following extract from a letter by the Duke of Wellington to the Commander in Chief, dated Fort St. George, 2nd August 1804, is quoted at length, as most powerfully showing the evils of hiring cattle for transport purposes, and the advantages of maintaining a nucleus of Government transport:—

"They who have seen the mode in which those armies made their marches, and were acquainted with the system under which cattle were, and must necessarily be, procured for the service, will not hesitate to allow that the slowness of all our operations, and the necessity to which I have alluded, of leaving our guns after they had been drawn about 300 miles, were to be attributed entirely to the faults of the system under which the cattle were procured for the service.

"But, although I am addressing myself to an officer whose experience reaches beyond the times to which I have alluded, it is only necessary that I should advert, in proof of my assertion, to the circumstances of the late war. From a variety of causes it was necessary, at the commencement of the war, to hire cattle to draw the train from Madras to the frontiers of Mysore; and you will recollect the difficulties under which you laboured, and that, in fact, you could not have brought your carriages to the frontier without the assistance of the public cattle, which you called to join you; and that, if the circumstances

cumstances of the times had required that the whole army should advance to Poona, you would probably have thought it proper to take with you only those carriages for which you might have have had a sufficient number of the public draught cattle. All the carriages attached to the divisions under my command were drawn by public cattle; and I will advert to a few facts to point out the difference between this part of the equipment of the troops in late and former wars.

"We marched to Poona from Seringapatam, the distance being nearly 600 miles, in the worst season of the year, through a country which had been destroyed by Holkar's army with heavy guns, at the rate, upon an average, of 13½ miles a-day; and if the 12 days which we halted on the Tungabhadra for orders be excluded, we arrived at Poona in two months from the time we marched. On this march we lost no draught cattle. I remained in the neighbourhood of Poona, in a country which deserves the name of a desert, for six weeks, and then marched again with the train in the same state as to numbers as when it left Seringapatam, and the troops and cattle were in the field during the monsoon. It is needless to advert to the distance marched during the war, or to recapitulate its events, all of which must show the efficient state of the equipments; but it has frequently been necessary for the troops to march, for many days together, a distance amounting to 15 miles a-day; the heavy artillery always accompanied them, and I always found that the cattle could go as far as the troops. Upon one occasion I found it necessary to march a detachment 60 miles in 30 hours; and the ordnance and provision carriages, drawn by the Company's bullocks, accompanied this detachment.

"Instead of being obliged, as the commanders in chief of armies in former years have been, to leave guns and carriages behind, such was the state of efficiency of this department throughout this severe service, that I was able, with but little assistance, to draw away the guns which the troops took. After all this service, in which so many countries have been marched over, the number of cattle which have died is, I believe, not greater than it would have been at the grazing ground; and the department is, at this moment, in a state of great efficiency.

"*It would not be difficult to prove that, in point of actual expense, this establishment is cheaper to the public than the hire of cattle in the old mode; but the consideration respecting a public establishment of this description is not referable entirely to cheapness.* It must be obvious to every man that, in a war such as the late war, there could be no success unless the officer commanding the troops was able to move, at all times, with the utmost celerity of which the troops were capable, and to continue its movements as long as was necessary. Rapid movements with guns and carriages cannot be made without good cattle, well driven and well taken care of; and, without adverting to what passed subsequently, it is more than probable that, if I had the service only of such cattle as served Lord Cornwallis and General Harris in former wars, I should never have reached Poona, or should have been obliged to find my way back without the wheel carriages in the best manner I could.

"I therefore take the liberty of recommending this establishment of cattle to your protection. It is founded upon the most efficient and most economical principles; and will never fail the army, as long as it is superintended and conducted as it has been hitherto."

It has been stated, that the want of such an establishment in former times crippled all Sir Eyre Coote's operations, and kept him frequently inactive and incapable of profiting by his victories, and made him declare, after the battle of Cuddalore—"If Hyder Ally, buoyed up with former success, had not come to seek us, I could not have moved the army to follow him; and this is a situation so trying to the responsible military commander, that an officer of character shudders at the idea of being placed in such a predicament."

Example of first Afghan War.

40. The difficulty that occurred with hired transport in the first Afghan War of 1838-39 is also a case in point; and is prominently brought to notice in Kaye's History, as regards the march of the Army of the Indus from Ferozepore, and its advance through the Bolan on Kandahar; and also in the movements of the Bombay Column, and Shah Soojah's contingent, on the same occasion.

Oppression and bribery when hiring is resorted to.

41. The oppression and bribery which are resorted to in hiring carriage is well known to all civil officers; and the contractor, or native official, of every kind, enriches himself at the expense of the Native owner and the Government. The absence of a law legalizing the pressing of carriage for army purposes is much to be regretted; and the logical conclusion of the civil authorities, that certain sections of the Penal Code render the pressing of carriage illegal, appears to be perfectly correct. Pressing is always resorted to, while the pressure acts most unequally on various districts. Those near the point of collection are freely drained, while those more remote may be scarcely reached.

 42. The

Expense of hiring.

42. The expense of hiring is enormous, when the claims for compensation are taken into account. It is said that 20,000 camels died between Ferozepore and Kandahar in the first Afghan war, while we know that up to the present time the return of casualties in the second Afghan war (1878-79) amounts to over 38,000; and will probably, when all returns are received, not be less than 50,000, for which number compensation may have to be paid.

Advantages of purchase.

43. The advantages of purchase are well known, and need not be repeated, Purchase does not disturb the trade of the country so much as hiring, because the native, who gets a fair price, is generally able to procure another animal to replace his camel, bullock, or mule, when perhaps the Government officer would be unable to do so.

Former arrangements.

44. Formerly there was a Government establishment of camels and also one of bullocks. These were, on occasion, supplemented by the efforts of great contractors like Jote Pershad. This system gave place, in 1854, to the supply of "rewarree" camels by "chowdries," and of bullocks by hire; and this, again, was abolished in 1861 in favour of contracts; this was, in turn, abandoned for the older system of obtaining supplies of carriage by means of "chowdries." In Southern India, the Government establishment of bullocks was highly praised by the Duke of Wellington, who urged on the Bombay Government a similar plan.

Chowdries.

45. The chowdrie, provided he is, what he often is not, an influential man, may be useful where the wants are small and there is time for collection. But the system has frequently failed in peace time, and is not successful in the largest operations of war. And it is one which is peculiarly open to the practice of oppression; and of frauds, both on the people and the Government. The contract system is also open to grave objections, if we attempt to depend on it altogether; but it is one which may in time of need serve us well, provided we have the power of grafting it on the permanent organisation.

Indian Commissariat founded on a French model, but improvements in the latter lost sight of.

46. Remembering that the Indian Commissariat was founded on a French model, it is curious to note how completely we have lost sight of the successive improvements of that model. In older days the transport of the French army was one of forcible requisitions; but in 1757 the French Government had to organise a nucleus of civil regular train, and undertake the construction of carriages and harness; and advance money for the payment of the companies of train, &c., issuing rations and forage in the shape of a loan. Later on, regular contracts were initiated; but this system was found so incompatible with discipline and power of movement, that Napoleon, in 1807, divested the non-military train of its civil or contract character, and gave it a purely military organisation.

SECTION III.

ORGANIZATION—*continued.*

Regimental Transport and Army Transport.

All authorities agreed in necessity for military organisation of transport.

47. Every great authority, from Napoleon and the Duke of Wellington downwards, is in favour of a military organisation for transport. Napoleon established the "Train des Equipages Militaires," and the Duke of Wellington* strongly urged the establishment of Government transport, after his experience in Mysore and the Deccan†; and

* Memorandum by Major General Wellesley to the Bombay Government, 1804.

† The first regularly organised transport establishment seems to have been that of Tippoo Sultan, the Ruler of Mysore.

and again in 1842* advised that animals and drivers should be trained and organised in a department under active and intelligent heads.

48. Sir Charles Napier established his Sind Baggage Corps in 1846; † while in the British Army, the disastrous experience of the Crimea led to the establishment of a military transport which has successively been called the Land Transport Corps, the Military Train, and the Army Service Corps, 18 companies of which are now maintained, as supply and transport companies, capable of expansion in time of need.

49. "In military operations time is everything," ‡ and I think it is quite superfluous for me to detail at any length the reasons for supporting a military organization being given to the transport service in India. I would, however, add the proviso, *that the civil resources of the country must be linked with this military organisation in a strong and harmonious union.* § It has frequently been alleged that the present want of system is an economical one; and I have also observed that the excellent trains organized at Lahore and Rawal Pindi for Abyssinia have been instanced to show how easy it is to collect and train transport. No doubt, if time were no factor in military operations, and if the army were not required to move till all preparations had been made, we could organize transport as the occasion arose; but it was precisely because a long time was allowed for the preparation of the two, comparatively small, Abyssinian trains, that they were efficiently organized. As to the economy of the present arrangements, even in time of peace this is very doubtful; while the great extra expenditure immediately necessary on the occurrence of wars and expeditions, large and small, to improvise a transport on the spur of the moment still further strengthens the view, that the present arrangement is not only inefficient, but extravagant. This point I shall again allude to when I deal with the present and proposed expenditure. I will only now further observe that I am painfully conscious how much better, and how much more economical, the transport arrangements for the campaign of 1879-80 might have been, had everything been ready at its commencement, or had there been time and leisure afforded for careful and deliberate organisation.

The military organisation to be linked to the civil resources of country.

50. It will be conceded "that to render an army effective, or otherwise than a useless burthen, it must be able to move, and must have means of conveyance for its provisions, stores and equipments, such as camels, ponies, mules, bullocks, or carts drawn by any of the three latter"—(*Duke of Wellington to Lord Fitzgerald, 16th March* 1842). But the opponents of organisation say that, as there is plenty of transport in the country, camels, carts, and bullocks, there is at least no use in keeping up any permanent system. I think it is only necessary to remark that our wars and expeditions outside the Indian frontier have conclusively proved the necessity for some organised system; and that even within India its military history tells us of failures, both in the older campaigns and coming down to a later time in the mutiny, when, at a critical moment in May 1857, it was desired to move a force from Umballa rapidly on Delhi, the Deputy Commissary General declared his inability to provide transport, and it was only by the help of a Native prince, the Rajah of Pattiala, that the force was able to march.

Mobility absolutely necessary for an army.

51. It

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* Letter to Lord Ellenborough, 6th July 1842.

† Sir Charles Napier says: "In case of necessity, a powerful defence can be made when once the baggage of an army become organised; and why its organisation should be neglected in India, I do not know. But all know this, that in work of all kinds, and most in soldier's work, the division of labour and methodical proceedings will produce the greatest results—results which will be in proportion to such methodical arrangements."

‡ Duke of Wellington.

§ Remarks by Lord Sandhurst, at a lecture on "Military Transport and Supply in India," at the Royal United Service Institution, London, by Captain Collen, 17th June 1872—

"If you depend entirely upon a military organisation, you restrict yourselves, as it were, to the skeleton of supply. But if that organisation is so formed, that you are connected with the great contractors, with all the civil elements of supply, which form not merely the skeleton, but the flesh and blood of a country then an army is sure to be supplied, and the operations are tolerably sure to succeed."

51. It must also be recollected that the conditions have greatly changed. When months were allowed for the collection of any considerable force, the camels and carts hastily pressed into service could keep pace with the troops. All preparations were made with slow deliberation; and there was plenty of *time*. All this is changed. Great additional military power has been given us by railways; we can concentrate our troops rapidly; and to use this great power with practical effect, we must just as rapidly be able to concentrate our transport, while we must also provide means for moving troops into the district for the repression of local disturbance. There is no royal road to military organisation, and no hasty expenditure of money can remedy the evil of neglect in preparation.

Conditions changed.

52. Indian transport animals are elephants, camels, pack-bullocks, mules, ponies, donkeys, and even buffaloes. *Elephants* are obtainable in considerable numbers, chiefly in Bengal and Assam. *Camels* in the Punjab, Sind, the North-Western Provinces, Rajputana, Malwa, and Guzerat. *Pack-bullocks* in Central India, in the Central Provinces, and in Southern India. *Mules* chiefly in the Punjab and the North-Western Provinces. Mule-breeding has been carried on in the Punjab for some years past, and under the encouragement of the Lieutenant-Governor, has proved remunerative, and is increasing. In the North-Western Provinces and Rajputana some progress has been lately made, and donkey stallions distributed. The system of mule-breeding has also been inaugurated in the Madras and Bombay Presidencies; and, even in Lower Bengal, hopes are entertained of breeding good mules on the higher lands and hilly tracts. An experiment is about to be tried in the highlands of the Central Provinces; while in British Burma also an effort is being made to establish mule breeding, which has been carried on for some time in Upper Burma. The Government of India is fully alive to the great importance of this subject; good donkey stallions are provided from various sources and distributed throughout the country, and the whole system is under the superintendence of the General Superintendent of Horse and Mule Breeding Operations, Staff Veterinary Surgeon Hallen, whose long experience of the subject, and local knowledge, will render him a valuable coadjutor in the establishment and development of a military transport organisation.

Nature of Indian transport.

Ponies are obtained nearly everywhere, although they have of late years degenerated in Southern India; and *donkeys* are obtainable in nearly every part of India.

53. *Elephants* are very useful under special circumstances of country and work, but are too costly, not easily transported by rail, are difficult to feed in some localities, and are not suited to general army transport. The Army Organisation Commission have recommended the reduction of the number of elephants for army transport to 400, including the Eastern and South-Eastern Frontier and British Burma. I entirely concur in the reduction.

Qualities of transport animals.

Camels working in their own districts, under their owners, and under their own conditions of movement, so to speak, are very useful; but they are extremely delicate, slow, awkward to load and unload, and unserviceable in wet weather, not economically transported by rail, and will not stand change of country, climate, or food. In the campaign of 1879–80, both hill camels, and camels of the plains, were tried under the most favourable conditions that could be attained on the service on which they were employed, and they were well fed and clothed. Both breeds failed; the hill camels could not stand heat, or the plain camels cold; both required working in a particular way, and with intervals of rest not compatible with military movements; and neither could apparently bear in safety any change of accustomed food or grazing; and they appeared to be uniformly affected by an unappreciable difference of locality or climate. They are, however, useful for supply purposes on a line of communication, but they are not fitted for service in regimental transport.

Pack-bullocks are slow, but very useful and enduring, and are readily transported by rail and sea.

Donkeys are very useful on lines of communication for supply purposes. *Buffaloes* would only be used when no other means was available.

Mules

Mules are, from the experience of this and all other campaigns, the most fit for transport purposes. They are hardy, will bear great extremes of heat or cold; live almost on anything, although they are particular about water; and they are not so liable to sore backs as ponies. They are more readily moved by rail and sea than other transport animals, while, if mules cannot be got in sufficient numbers, ponies can be employed, as ranking next for military transport purposes. The mule can be trained both to pack and draught, and the employment of the mule, therefore, as the animal for the permanent transport, is accepted by all authorities.

Carts.

54. *Carts* of a pattern suitable to military transport should, it is needless to say, form part of the permanent transport. India has an abundance of carts of all kinds of patterns drawn by bullocks, and it is unnecessary to keep these in permanent employ. The employment of cart carriage is both efficient and economical. A light cart drawn by one mule will carry 500 lbs. to 600 lbs., and with two mules 800 lbs. to 1,000 lbs., the ordinary load (pack) of a mule being two maunds = 160 lbs. Its pace will be 3½ miles an hour, or about double the pace of a camel. Carts have proved of great value in this and other campaigns, and there is scarcely any part of the country which cannot be traversed by light carts, although it is a mistake to suppose that carts can invariably follow where guns can go.

No necessity for keeping up permanently camels or pack-bullocks.

55. We can always obtain, provided we have the proper machinery at work, camels and pack-bullocks, for hire or purchase. It is not, therefore, necessary to keep an establishment of these, as part of the permanent transport.

56. Mules, and strong ponies (until the development of mule-breeding admits of mules only being used) trained both for pack and draught, should be the animals for our permanent transport.

57. Light carts for one mule or pony, and larger carts drawn by a pair, are those we should employ for army transport. The patterns of carts for army purposes will be touched upon in Section VI.

Organisations of these means of transport.

58. It is essential, as pointed out at paragraph 29, that the system of regimental transport should be maintained in India; and this will now be dealt with.

(A.)

1.—Full Regimental Transport.

Portions of the Army of India for which regimental transport should be provided.

59. The portions of the Army of India, for which full permanent regimental transport is proposed, are as follow:—

1. The Punjab Frontier Force.
2. A part of the army stationed in the Punjab.
3. The force in Sind.
4. The force on the Eastern and South-Eastern Frontier.
5. The force in Burma.

1.—*The Punjab Frontier Force.*

60. This force, consisting of 6 cavalry regiments (including the Guides Cavalry), 4 mountain batteries,* and 12 infantry regiments (including the Guides Infantry), is stationed ordinarily at Abbottabad, Hoti Murdan, Kohat, Edwardesabad, Dera Ismail Khan, Dera Ghazi Khan, Rajanpur, and the outposts.

61. The

* 1 garrison battery not reckoned.

61. The infantry of this force have hitherto been provided with regimental transport on the following scale, fixed in 1851 :—

Present scale of regimental transport for Punjab Frontier Force fixed in 1851.

	Mules.	Camels.
Regiments of Sikh and Punjab Infantry - - -	40	55
„ in Hazara - - - - - - -	100	None.
Corps of Guides - - - - - - -	84	None.

This scale is no longer applicable, and the Punjab (Abbottabad) Committee of November 1879 recommend that the complement per regiment should be—

167 mules;
8 camels for arms of sick and for camel "kajawahs" for the sick.

The introduction of the mountain battery tent will somewhat reduce the requirements in mules.

62. This is the scale I would recommend, with the proviso that only mules should be employed, as I see no reason why the arms of the sick should not be carried on mules with proper appliances; nor why the mule "cacolet" should not be used, if required in addition to "doolies" and "dandies," instead of the camel "kajawah." Camels cannot be used on the frontier during four or five months of the year. The regiments in Hazara have no camels, and it is obviously inexpedient for frontier regiments to have regimental transport moving at different rates of speed. Each infantry regiment would, therefore, require about 190 mules.

Number of mules required.

The following number of mules would be necessary for the whole force.

	Mules.
6 Cavalry regiments, at 65 each - - - - - =	390
4 Mountain batteries,* at 40 each - - - - - =	160
12 Infantry regiments, at 190 each - - - - - =	2,280
	2,830

This number will perhaps be susceptible of reduction, when a complete investigation takes place into the requirements of the various corps of the Army in tentage, baggage, and field equipments, based on the experience of the Afghan and other campaigns.

2.—*The part of the Army stationed in the Punjab.*

63. Regimental transport should be maintained at certain of the following stations as—

Peshawar,	Mooltan,
Nowshera,	Bakloh,†
Talagaon,	Dharmsala,†
Rawal Pindi,	

to be selected by the Commander-in-Chief, for one complete Brigade‡ of all arms, consisting of—

1 Regiment British Infantry.
2 Regiments Native „
1 Regiment Native Cavalry.
2 Field (or mountain) § batteries.
1 Company Sappers.

64. On

* In addition to the 24 baggage mules on the present permanent establishment.
† Stations of Goorkha regiments.
‡ The brigade is detailed according to the formation laid down by the Army Organisation Commission of 1879.
§ If considered desirable, the two British mountain batteries at Jutogh and the Muree Hills might be considered as part of this force, instead of two field batteries, and equipped with transport accordingly. But the four mountain batteries, Punjab Frontier Force, are also available.

64. On the scale allowed in the campaigns in Afghanistan of 1878-79-80, the number of mules and ponies required would be about 1,790. Supplies have not been calculated for, as full transport is allowed; while, as the whole strength of each corps will not be available, there will be a margin for supplies. It must be explicitly pointed out that the calculation is only approximate, but that it includes first and second reserves of ammunition. The scales for regimental transport require revision, and a practical decision arrived at on equipment, tentage, baggage, &c. to be allowed for field service, both for mountain and plain warfare.

3.—*The Force in Sind.*

65. Regimental transport for a complete brigade of all arms should be kept up for a portion of the troops at Kurrachee, Hyderabad, and Jacobabad, so that the Bolan line may be reinforced, whenever necessary, with the greatest expedition, viz., for—

1 Regiment British Infantry,
2 Regiments Native „
1 Regiment „ Cavalry,
2 Field batteries,
1 Company Sappers.*

The number of mules and ponies would amount to 1,790.

The regimental transport for corps to be stationed beyond the old frontier has not been taken into account, because the garrisons are not permanently fixed. Whenever these are decided on, the number of mules required must be added to the number under (2) and (3).

4.—*The Force on the Eastern and South-Eastern Frontier.*

66. In this country elephants are used with advantage, would be absolutely necessary for supply purposes, and will of course be maintained specially on this frontier and in Burma; and it will be advisable to substitute for half the regimental transport required an equivalent number of elephants. It will, it may be presumed, be sufficient to keep up regimental transport for a force = 1 infantry brigade = 3 Native infantry regiments, at half scale in mules, viz., 579 mules, the remaining moiety being provided by elephants.

5.—*The Force on the Burma Frontier.*

67. The above remark regarding elephants applies specially also to Burma. Here, also, only half the regimental transport should consist of mules; the remainder being provided by elephants.

68. For Burma a force equivalent to a brigade, as under, should have regimental transport, viz.,—

1 Regiment British Infantry,
2 Regiments Native „
2 Batteries,
1 Company Sappers.

69. Tonghoo, from its present isolated position, may be treated separately, and transport provided for a portion of its garrison to act as a small moveable column, independent of the transport to be retained for the mobile brigade in Burma:—

For the brigade, about 692 mules.
For Tonghoo, 200 mules might be allowed approximately.

70. It

* This company might have to be drawn from Poona, as ordinarily there are no sappers in Sind, the normal garrison of which is—

1 Regiment British Infantry,
4 Regiments Native „
3 „ „ Cavalry,
2 Field batteries,
1 Native mountain battery.

70. It must be clearly pointed out that the principle has been followed of providing those portions of the army with regimental transport which are most liable to be called on suddenly for service on the frontier of India, and that it has been assumed that preparations will be matured in time of peace for replacing these troops in their garrisons when withdrawn by others pushed up from the rear.

Principles followed in recommendations as to regimental transport.

71. All the troops on vulnerable frontiers of India will thus be provided with regimental transport, while sufficient has been allotted to troops at stations behind to constitute them mobile forces, and to admit of rapid concentration for reinforcement of the outer line. Thus, the brigade in the Punjab could, with the railway extension now progressing, be transported in a few days to Sibi and the Bolan, in the event of a concentration being required on the southern instead of the northern portion of the frontier. Nor need this large amount of regimental transport be considered as locked up in the Punjab and Sind.

72. If it were necessary to mobilise a force for field service in another part of the country, or for an expedition beyond sea, then it would in all probability be the case that a portion of the large garrison of the Punjab would be sent; while, if it were not, some of the regimental transport could be withdrawn from the corps of this garrison on great emergency, and transported by rail to the point of concentration to equip other corps; and could be replaced locally by hire or purchase.

73. The regimental transport, save that of the Punjab Frontier Force, would have to be handed over to relieving corps when regiments left the stations from which the mobilised troops are appointed to be drawn, to proceed to garrisons remote from the frontier. Regimental transport would thus be provided for—

3 Regiments British Infantry,
21 „ Native „
8 „ „ Cavalry,
10 Batteries,
3 Companies of Sappers,

to the extent of 7,881 mules and ponies, on and in reserve of the frontiers of India.

74. A proportion of this pack transport might be trained for draught, and carts kept up with regiments in particular situations. This is a detail which must be considered hereafter.

(A.)

II.—Reduced Regimental Transport.

75. The second division of regimental transport should be provided at the rate of eight mules per regiment, one per company, for all the remaining British and Native infantry corps, for the purposes of training, and of exercising in the supply of ammunition in the field. Cavalry and artillery are used to the care of animals, and to saddling, loading, &c., and need not be so provided.

Reduced regimental transport.

76. Native cavalry use the grass-cutters' ponies for baggage purposes, and require but little more transport. The utilisation of grass-cutters' ponies in the British cavalry for transport purposes, and the formation of ammunition columns for artillery, are important questions; but I have not space to deal with them in this Paper.

77. The number of corps remaining after providing for those of Class I. is (taking the ordinary garrison of India)—

British Infantry regiments - - - - - - - -	47
Native „ „ - - - - - - - -	110*

78. The

* The six local corps and six Hyderabad regiments are not calculated for. The Hyderabad Contingent had at its several stations, small establishments of bullocks for transport purposes.

78. The number of mules and ponies required would be—

47 × 8	= 376
110 × 8	= 880
	1,256

79. The two classes of regimental transport would, therefore, require 9,137 mules and ponies, viz.:—

Full regimental transport	7,881
Reduced „	1,256
	9,137

80. The *second* class would have eight light carts per regiment; or, in all, there would be 880 carts.

Establishments for Regimental Transport.

81. *British Regiments.*—For those corps keeping full regimental transport (paragraph 73), regimental transport officers (not quartermasters) should be maintained, and an allowance (30 rupees per mensem) granted, when actually present with regiment, provided the officer keeps up a pony; and no officer should hold this charge for more than one year:—

1 Non-commissioned officer on working pay, at 8 annas per diem.
2 Privates on working pay, at 6 annas per diem.

Unpaid assistants should be attached at the discretion of the officer commanding. These should be selected from the various companies, and be employed for a period of six months, when they should be relieved by others.

Batteries of Royal Artillery.—One non-commissioned officer at eight annas per diem, working pay; one gunner, or driver, at two annas per diem, working pay. The non-commissioned officer should be relieved every year, and the gunner or driver every six months.

82. *Native Corps.*—Under the quartermaster, assisted by one non-commissioned officer, or one soldier, on four annas, or two annas, per diem. The latter should be relieved every six months.

83. *Native Mountain Batteries, and Companies of Sappers.*—One non-commissioned officer at two annas per diem, working pay; to be relieved every six months.

Establishments for regimental transport on reduced scale.

84. In the remaining corps of infantry (*see* paragraph 77), which have only eight mules attached, an officer should be appointed, to be relieved in turn, but no allowance need be given. He would be assisted by a soldier (on two annas per diem, working pay); to be changed every six months.

85. It should, however, be understood that officers, non-commissioned officers, and men who have had the charge of regimental transport, either on full or reduced scale, will be selected, if they volunteer, for filling up vacancies in the transport service in time of war when their own corps are not going on field service.

86. Above all, it should be clearly understood that officers performing good work in the transport on field service will share the rewards of their brethren in staff and regimental service, and will, if they desire it, and are qualified, have their names noted for staff appointments in the transport service.

(B.)

General Army Transport.

87. Having decided on the regimental establishments to be maintained, it is necessary to determine the main centres at which depôts of permanent transport shall be constituted.

Enumeration of places selected as transport depôts.

88. From a consideration of the various conditions involved in the selection of these depôts, it is evident that these should be—

1. Rawal Pindi	Bengal Presidency.	9. Jacobabad	Bombay Presidency.
2. Lahore		10. Mhow	
3. Meerut		11. Poona	
4. Agra*		12. Secunderabad	Madras Presidency.
5. Lucknow		13. Bangalore	
6. Allahabad		14. Madras	
7. Calcutta		15. Rangoon	
8. Shillong			

89. All these stations are important military, strategical, and political centres, and in many cases important centres of commerce and supply. They are, with one exception (Shillong), situated on railways, and are the centres of communication by road.

Importance of these stations.

90. With the exception of Lahore,† Meerut, Lucknow,‡ Shillong, and Jacobabad, they all have arsenals or ordnance depôts. This will be found a great advantage, both for the storage and manufacture of transport material and equipments.

91. Excluding *Shillong* and *Rangoon*, which will be treated specially, the following detail of transport should be maintained for each depôt:—

Detail of permanent transport for each centre.

500 mules trained for draught and pack, organized in two divisions of 250 each, to be expanded to 1,000 each in time of need.
100 light carts for one mule each.
200 heavier for two mules each.

Shillong and *Rangoon* will each have one division of 250 mules, and each one division of a coolie corps of 200, to be expanded to 1,000 in time of need. This will give for the 15 depôts—

7,000 mules (pack and draught) for 15 depôts, *i. e.*, including Shillong and Rangoon.
1,300 light carts for one mule or pony each.
2,600 heavier carts for two mules or ponies each.
400 coolies.

These carts, or the greater number of them, could be collected and transported by rail to any part of India.

92. There would also be 880 light carts with regimental transport (see *ante* paragraph 80), making a total of 4,780 carts. The table below gives the totals of the transport proposed to be maintained, according to the foregoing calculations, for the various classes, viz., full complement of regimental transport for certain portions of the army; reduced or limited regimental transport for the remaining

* Agra selected in preference to Gwalior, because there is a greater field for collecting transport, though doubtless a large detachment of transport would have to be stationed at Gwalior.

† There is, however, a fort at Lahore.

‡ At Lucknow the new fortified enclosure at the railway station would probably, when completed, be an appropriate place for storing transport material.

remaining infantry corps; and the divisions of transport to be kept up at the transport depôts throughout India.

	Mules.	Carts, Light.	Carts, Heavy.	Coolies.
Full regimental transport - - - -	7,881	—	—	—
Reduced „ - - - -	1,256	880	—	—
General army „* - - - -	7,000	1,300	2,600	400
TOTAL - - -	16,137	2,180	2,600	400

* 400 elephants are also to be maintained.

93. The statement in the following pages shows the transport depôts, and stations dependent on them, with the quantities of carriage to be maintained at each depôt, as proposed in the following paragraphs, for the general army transport; the quantities of carriage authorised to be kept up at each station under the existing arrangements; and the carrying power of the proposed organisation in peace and war, and also the carrying power under the present arrangements.

STATEMENT showing proposed Organisation, Transport Depôts, and Stations dependent; with the Amount of Permanent Organised Transport to be maintained; also the existing Arrangements for Moveable Column, and other Permanent and Hired Carriage; with Comparisons of the Amount of Transport in Carrying Power under the proposed System in Peace and War, and under existing Arrangements.

PROPOSED ORGANISATION.						EXISTING ARRANGEMENTS.							
TRANSPORT DEPÔT.	Stations dependent on Depôt where Detachments of Transport from the Depôt may, if required, be stationed.	Amount of Permanent Organised Transport at Depôts and Stations dependent.				Authorised Establishment of Transport (Unorganised). *N.B.*—Moveable Column Carriage in Antique.					Quantity of *Organised* Transport, represented in maunds (1 maund=80 lbs.), in lbs, and in tons, available in each Transport District in Peace Time, according to proposed Organisation.	Quantity of *Organised* Transport, represented in maunds (1 maund=80 lbs.), in lbs., and in tons, available in each Transport District in War Time, according to proposed Organisation.	Quantity of *Unorganised* Transport, represented in maunds (1 maund=80 lbs.), in lbs., and in tons, available according to existing Arrangements by Stations, but which is not generally capable of Collection and Utilisation beyond the Local District.	REMARKS.
		Mules and Ponies.	Carts. Light.	Carts. Heavy.	Elephants.	Mules.	Bullocks. Draught.	Bullocks. Pack.	Camels.	Elephants.				
1. RAWAL PINDI	Rawal Pindi	500	100	200	purposes in India—400.	500	–	–	15	28	1,000 maunds, or 80,000 lbs., or 35⅝ tons, of pack transport: or 2,600 maunds, or 208,000 lbs., or 92⅝ tons, of cart transport. (Elephants not included.)	4,000 maunds, or 320,000 lbs., or 142⅞ tons, of pack transport; or 10,400 maunds, or 832,000 lbs., or 371⅜ tons, of cart transport. (Elephants not included.)	13,392 maunds = 1,071,360 lbs., or 478⅝ tons.	*Elephants.* 400 × 12 = 4,800 maunds, or 384,000 lbs., or 171⅜ tons, will have to be added to carrying power of the proposed organisation. The carrying power of cattle, &c. is calculated as follows:
	Sialcot					–	–	–	289	39				
	Jhelum					–	–	–	110	–				
	Talagong					–	–	–	110	–				
	Murree and Murree Hills					–	–	–	–	–				
	Peshawar					500	–	–	142	115				
									608	–				
	Attock					–	–	–	50	–				
	Campbellpore					–	–	–	53	–				
	Nowshera					–	–	–	325	–				
LAHORE (MEEAN MEER).	Meean Meer	500	100	200		–	–	–	354	36	1,000 maunds, or 80,000 lbs., or 35⅝ tons, of pack transport; or 2,600 maunds, or 208,000 lbs., or 92⅝ tons, of cart transport. (Elephants not included.)	4,000 maunds, or 320,000 lbs., or 142⅞ tons, of pack transport; or 10,400 maunds, or 832,000 lbs., or 371⅜ tons, of cart transport. (Elephants not included.)	4,984 maunds = 398,720 lbs., or 178 tons.	
	Jullundur					–	–	–	128	17				
	Mooltan					–	–	–	272	33				
	Ferozepore					–	–	–	154	–				
	Amritsar					–	–	–	32	–				
	Govindgarh					–	–	–	–	–				
	Dharmsala					–	–	–	24	–				
	Bakloh (near Dalhousie)					–	–	–	24	–				

	Mds.	*lbs.*
1 Elephant	= 12	or 960
1 Camel	= 4	or 320
1 Mule or pony	= 2	or 160
1 Pack bullock	= 2	or 160
1 Light cart	= 6	or 480
1 Heavy ,,	= 10	or 800
1 Cooly	= ½	or 40

(1 *maund* = 80 *lbs.*)

3. MEERUT	Meerut	500	100	200	Total to be kept up for army transport	–	–	–	15	10	1,000 maunds, or 80,000 lbs., or 35⅝ tons, of pack transport; or 2,600 maunds, or 208,000 lbs., or 92⅞ tons, of cart transport. (Elephants not included.)	4,000 maunds, or 320,000 lbs., or 142⅞ tons, of pack transport; or 10,400 maunds, or 832,000 lbs., or 371⅞ tons, of cart transport. (Elephants not included.)	7,832 maunds = 626,560 lbs., or 279⅝ tons.			
	Umballa					–	–	–	429	46						
	Moradabad					–	–	–	28	–						
	Almora, Naini Tal, &c.					–	–	–	14	–						
	Shahjahanpur					–	–	–	48	–						
	Ranikhet					–	–	–	129	–						
	Dehra Dun					–	–	–	–	4						
	Chakrata					127	–	–	52	–						
	Delhi					–	–	–	55	–						
	Landour					60	–	–	–	–						
	Roorkee					–	–	–	72	–						
	Kasauli															
	Subathu					363	–	–	525	–						
	Dagshai															
4. AGRA	Agra	500	100	200		–	–	–	237	31	1,000 maunds, or 80,000 lbs., or 35⅝ tons, of pack transport; or 2,600 maunds, or 208,000 lbs., or 92⅞ tons, of cart transport). (Elephants not included.)	4,000 maunds, or 320,000 lbs., or 142⅞ tons, of pack transport; or 10,400 maunds, or 832,000 lbs., or 371⅞ tons, of cart transport. (Elephants not included.)	5,358 maunds 428,640 lbs., or 191⅛ tons.			
	Gwalior (Morar)					–	–	–	484	8						
	Jhansi					–	–	–	178	7						
	Muttra					–	–	–	75	10						
	Fatehgarh					–	–	–	35	–						
	Nusseerabad					41	–	–	142	–						
5. LUCKNOW	Lucknow	500	100	200		–	–	–	468	66	1,000 maunds, or 80,000 lbs., or 35⅝ tons, of pack transport; or 2,600 maunds, or 208,000 lbs., or 92⅞ tons, of cart transport. (Elephants not included.)	4,000 maunds, or 32,000 lbs., or 142⅞ tons, of pack transport; or 10,400 maunds, or 832,000 lbs., or 371⅞ tons, of cart transport. (Elephants not included.)	5,928 maunds 474,240 lbs., or 211⅞ tons.			
	Fyzabad					–	–	–	244	31						
	Bareilly					–	–	–	327	31						
	Sitapur					–	–	–	62	–						
6. ALLAHABAD	Allahabad	500	100	200		–	–	–	110	–	1,000 maunds, or 80,000 lbs., or 35⅝ tons, of pack transport; or 2,600 maunds, or 208,000 lbs., or 92⅞ tons, of cart transport. (Elephants not included.)	4,000 maunds, or 320,000 lbs., or 142⅞ tons, of pack transport, or 10,400 maunds, or 832,000 lbs., or 371⅞ tons, of cart transport. (Elephants not included.)	4,224 maunds 337,920 lbs., or 150⅝ tons.			
	Gorakhpur					–	–	–	–	4						
	Saugor					–	–	539	–	32						
	Jubbulpore					–	–	325	–	23						
	Banda					–	–	–	15	–						
	Cawnpore					–	–	–	97	–						
	Dinapore					–	–	–	–	34						
	Benares					–	–	–	75	–						
	Segowlie					–	–	–	–	–						
	Nowgong					–	–	–	48	–						
	achmarhi					–	–	–	–	–						

STATEMENT showing proposed Organisation, Transport Depôts, and Stations dependent; with the Amount of Permanent Organised Transport to be maintained, &c.—*continued*.

PROPOSED ORGANISATION.						EXISTING ARRANGEMENTS.								
TRANSPORT DEPÔT.	Stations dependent on Depôt where Detachments of Transport from the Depôt may, if required, be stationed.	Amount of Permanent Organised Transport at Depôts and Stations dependent.				Authorised Establishment of Transport (Unorganised). *N.B.*—Moveable Column Carriage in Antique.					Quantity of *Organised* Transport, represented in maunds (1 maund = 80 lbs.), in lbs., and in tons, available in each Transport District in Peace Time, according to proposed Organisation.	Quantity of *Organised* Transport represented in maunds (1 maund = 80 lbs.), in lbs., and in tons, available in each Transport District in War Time, according to proposed Organisation.	Quantity of *Unorganised* Transport represented in maunds (1 maund = 80 lbs.), in lbs., and in tons, available according to existing Arrangements by Stations, but which is not generally capable of Collection and Utilisation beyond the Local District.	REMARKS.
		Mules and Ponies.	Carts. Light.	Carts. Heavy.	Elephants.	Mules.	Bullocks. Draught.	Bullocks. Pack.	Camels.	Elephants.				
7. CALCUTTA	Darjeeling	500	100	200		–	–	–	–	11	1,000 maunds, or 80,000 lbs., or 35⅝ tons, of pack transport; or 2,600 maunds, or 208,000 lbs., or 92⅞ tons, of cart transport. (Elephants not included.)	4,000 maunds, or 320,000 lbs., or 142⅞ tons, of pack transport; or 10,400 maunds, or 832,000 lbs., or 371⅞ tons, of cart transport. (Elephants not included.)	1,848 maunds = 147,840 lbs., or 66 tons.	
	Julpigorie					–	–	–	–	4				
	Barrackpore (Calcutta.)					–	–	–	–	42				
	Fort William (Calcutta.)					–	–	–	–	51				
	Alipore (Calcutta.)					–	–	–	–	8				
	Dum-Dum (Calcutta.)					–	–	–	–	23				
	Hazaribagh					–	–	–	–	3				
	Dorunda					–	–	–	–	4				
	Bhagulpore					–	–	–	–	4				
	Dacca					–	–	–	–	2				
	Buxa					–	–	–	–	2				
8. SHILLONG	Shillong, Jowai, &c.	250	and Cooly Corps of 200			–	–	–	–	10	500 maunds, or 40,000 lbs., or 17⅞ tons of pack transport; and 100 maunds, or 8,000 lbs., or 3⅝ tons, of coolie transport. (Elephants not included.)	2,000 maunds, or 160,000 lbs., or 71⅜ tons, of pack transport; and 500 maunds, or 40,000 lbs., or 17⅞ tons, of coolie transport. (Elephants not included.)	504 maunds = 40,320 lbs., or 18 tons.	
	Dibrugarh, Sudiya, &c.					–	–	–	–	12				
	Cachar, Monierkhall, &c.					–	–	–	–	10				
	Gauhati, Tezpur, &c.					–	–	–	–	10				
9. JACOBABAD	Jacobabad	500	100	200	purposes in India—400.	–	–	–	–	–	1,000 maunds, or 80,000 lbs., or 35⅝ tons, of pack transport; or 2,600 maunds, or 208,000 lbs., or 92⅞ tons, of cart transport. (Elephants not included.)	4,000 maunds, or 320,000 lbs., or 142⅞ tons, of pack transport; or 10,400 maunds, or 832,000 lbs., or 371⅞ tons, of pack transport. (Elephants not included.)		
	Kurrachee					–	150	–	–	–				
	Hyderabad					–	34	–	–	–				
	Sukkur					–	2	–	–	–				

10. MHOW	Mhow	500	100	200	Total to be kept up for Army transport	370	50	-	178	19	1,000 maunds, or 80,000 lbs., or 35⅝ tons, of pack transport; or 2,600 maunds, or 208,000 lbs., or 92⅞ tons, of cart transport. (Elephants not included.)	4,000 maunds, or 320,000 lbs., or 142⅞ tons, of pack transport; or 10,400 maunds, or 832,000 lbs., or 371⅞ tons, of cart transport. (Elephants not included.)	3,434 maunds = 274,720 lbs., or 122$\frac{9}{14}$ tons.
	Neemuch					63	4	-	83	8			
	Abu					25	-	-	-	-			
	Kamptee					100	-	-	185	12			
	Seetabuldee					-	-	10	-	-			
	Hoshangabad					-	-	5	-	-			
	Raipur					-	-	10	-	-			
	Chanda					-	-	3	-	-			
	Sironcha					-	-	5	-	-			
11. POONA	Poona	500	100	200		196	-	-	50	17	1,000 maunds, or 80,000 lbs, or 35⅝ tons, of pack transport; or 2,600 maunds, or 208,000 lbs., or 92⅞ tons, of cart transport. (Elephants not included.)	4,000 maunds, or 320,000 lbs., or 142⅞ tons, of pack transport; or 10,400 maunds, or 832,000 lbs., or 371⅞ tons, of cart transport. Elephants not included.)	3,714 maunds 297,120 lbs., or 132$\frac{8}{14}$ tons.
	Ahmednagar					51	-	-	13	2			
	Malegaon					51	-	-	13	2			
	Satara					70	4	-	9	4			
	Sholapur					-	-	-	48	-			
	Ahmedabad					111	-	-	19	5			
	Deesa					-	-	-	111	11			
	Rajkot					51	4	-	13	2			
	Belgaum					82	-	-	39	8			
						51	20	-	13	2			
	Aden					35	40	-	41	-			
	Kolhapur					51	-	-	13	2			
	Baroda					-	10	-	-	-			
	Bombay					14	22	-	-	-			
	Deolali					-	2	-	-	-			
12. SECUNDERABAD	Secunderabad	500	100	200		100	-	397	196	27	1,000 maunds, or 80,000 lbs., or 35⅝ tons, of pack transport; or 2,600 maunds, or 208,000 lbs., or 92⅞ tons, of cart transport. (Elephants not included.)	4,000 maunds, or 320,000 lbs., or 142⅞ tons, of pack transport; or 10,400 maunds, or 832,000 lbs., or 371⅞ tons, of cart transport. (Elephants not included.)	2,946 maunds 235,680 lbs., or 105$\frac{4}{14}$ tons.
	Bellary					100	-	-	146	5			
13. BANGALORE	Bangalore	500	100	200		100	-	-	109	8	1,000 maunds, or 80,000 lbs., or 35⅝ tons, of pack transport; or 2,600 maunds, or 208,000 lbs., or 92⅞ tons of cart transport. (Elephants not included.)	4,000 maunds, or 320,000 lbs., or 142⅞ tons, of pack transport; or 10,400 maunds, or 832,000 lbs., or 371⅞ tons, of cart transport. (Elephants not included.)	1,164 maunds — 117,120 lbs., or 52⅞ tons.
	French Rocks					-	-	10	-	-			
	Mercara					-	-	10	-	-			
	Nilgiris					-	-	-	-	-			
	Cannanore					-	-	10	-	32			
	Calicut					-	-	20	-	7			
	Mallyapuram					-	-	20	-	7			
	Mangalore					-	-	20	-	-			

STATEMENT showing proposed Organisation, Transport Depôts, and Stations dependent; with the Amount of Permanent Organised Transport to be maintained, &c.—*continued.*

PROPOSED ORGANISATION.						EXISTING ARRANGEMENTS.								
TRANSPORT DEPÔT.	Stations dependent on Depôt where Detachments of Transport from the Depôt may, if required, be stationed.	Amount of Permanent Organised Transport at Depôts and Stations dependent.				Authorised Establishment of Transport (Unorganised). *N.B.*—Moveable Column Carriage in Antique.					Quantity of *Organised* Transport, represented in maunds (1 maund = 80 lbs.), in lbs. and in tons, available in each Transport District in Peace Time, according to proposed Organisation.	Quantity of *Organised* Transport, represented in maunds (1 maund = 80 lbs.), in lbs., and in tons, available in each Transport District in War Time, according to proposed Organisation.	Quantity of *Unorganised* Transport, represented in maunds (1 maund = 80 lbs.), in lbs., and in tons, available according to existing Arrangements by Stations, but which is not generally capable of Collection and Utilisation beyond the Local District.	REMARKS.
		Mules and Ponies.	Carts. Light.	Carts. Heavy.	Elephants.	Mules.	Bullocks. Draught.	Bullocks. Pack.	Camels.	Elephants.				
14. MADRAS	Madras	500	100	200	Total to be kept up for army transport purposes in India—400.	24	–	54	18	4	1,000 maunds, or 80,000 lbs., or 35⅝ tons, of pack transport; or 2,600 maunds, or 208,000 lbs., or 92⅞ tons, of cart transport. (Elephants not included.)	4,000 maunds, or 320,000 lbs., or 142⅞ tons, of pack transport; or 10,400 maunds, or 832,000 lbs.. or 371⅞ tons, of cart transport. (Elephants not included.)	700 maunds = 56,000 lbs., or 25 tons.	
	St. Thomas' Mount					72	–	–	–	–				
	Pallaveram					–	–	10	–	–				
	Poonamallee					–	–	–	–	–				
	Vellore					–	–	10	–	–				
	Waltair					–	–	10	–	–				
	Vizagapatam					–	–	–	–	–				
	Vizianagram					–	–	10	–	–				
	Berhampore					–	–	5	–	–				
	Sambalpur					–	–	5	–	–				
	Cuttack					–	–	10	–	–				
	Trichinopoly					–	–	–	30	–				
	Quilon					–	–	10	–	–				
	Palamcottah					–	–	10	–	–				* Exclusive of 22 elephants at Tonghoo with mountain train battery.
15. RANGOON	Rangoon	250	and Cooly Corps of 200.			–	–	150†	–	30	500 maunds, or 40,000 lbs., or 17⅞ tons, of pack transport; and 100 maunds, or 8,000 lbs., or 3⅝ tons, of cooly transport. (Elephants not included.)	2,000 maunds, or 160,000 lbs., or 71⅜ tons of pack transport; and 500 maunds, or 40,000 lbs., or 17⅞ tons, of coolie transport. (Elephants not included.)	1,738 maunds = 139,040 lbs., or 62$\frac{1}{14}$ tons.	† The bullocks are taken at 2 maunds each, but in the Madras return these are entered under head of "Bullocks, including sick cart bullocks and hired pack-bullocks."
	Thayetmyo					–	–	100	–	35				
	Toungoo					–	–	100	–	13*				
	Moulmein					–	–	15	–	6				
	TOTAL	7,000	1,300 and 400 coolies.	2,600	400	3,308	342	1,883	8,717	1,068	14,000 maunds, or 1,120.000 lbs., or 500 tons, of pack transport; or 33,800 maunds, or 2,704,000 lbs., or 1,207⅞ tons, of cart transport; and 200 maunds, or 16,000 lbs., or 7⅛ tons, of cooly transport.	56,000 maunds, or 4,489,000 lbs., or 2,000 tons, of pack transport; or 135,200 maunds, or 10,816,000 lbs , or 4,828⅝ tons, of cart transport; and 1,000 maunds, or 80,000 lbs., or 35⅝ tons, of cooly transport.	58,066 maunds = 4,645,280 lbs., or 2,073$\frac{1}{14}$ tons.	

NOTE.—There are slight discrepancies between the above totals of existing establishment and those in the table at page 11, To compare the two statements, the carriage of the Punjab Frontier Force must be added to the above total. Even then, however, there are differences in the totals of the two tables, amounting to 2 elephants, 45 camels, 47 mules, and 14 pack-bullocks. This difference may be accounted for by some spare animals not having been included in the detailed distribution as above.

Detachments of transport from the depôts and outstations.

94. The amount of transport required to be detached from the depôts must be dependent on two conditions, which are not exactly known. First, whether the station is one selected in the future for a "moveable column" to be kept in readiness, as the reduction of the number of "moveable columns" is supported by many authorities; secondly, if not a "moveable column" station, whether there is any necessity for having a transport detachment there, looking to the general work of the station, and to the fact that at a large number of stations there will be full regimental transport; and that every regiment, even on the reduced scale, will have eight mules (trained to pack and draught) and eight light carts, which, with the addition of the 400 elephants, still to be maintained for army transport, will go far towards the performance of all ordinary station work.

Reduction of moveable columns.

95. With regard to the reduction of the number of moveable columns, this is recommended by the Army Organisation Commission of 1879 to the number of stations shown below:—

Barrackpore.	Rawal Pindi.	Rangoon.
Dorunda.	Meean Meer.	Poona.
Nowgong.	Madras.	Mhow.
Gwalior.	Bangalore.	Ahmedabad.
Lucknow.	Berhampore.	Nusseerabad.
Allahabad.	Secunderabad.	Saugor.
Bareilly.	Waltair.	Kamptee.
Umballa.	Cuttack.	

I do not gather that there is any opposition to the views expressed by the Commission on this point; all authorities appear to agree that conditions have greatly changed since the institution of these "moveable columns" in 1861; that they do not fulfil the objects for which they were instituted; that they do not form a transport training for the army; and that locking up transport scattered in numerous small stations is not a wise proceeding.

Facility for collecting transport for district work.

96. It must be borne in mind that if the civil machinery be properly worked, transport for a short and rapid move in the district can always be obtained at very brief notice on an emergency. It is also very clear that carriage which might be difficult to get for a distant campaign, would be procured with comparative ease for army transport, for local employment in a district. A Native infantry regiment only requires pack transport for cooking utensils, intrenching tools, and reserve ammunition. The men can carry two or three days' provisions; and, with a *rigidly limited scale of baggage and tents*, a very small amount of carriage is sufficient for a short expedition from cantonments. This applies *mutatis mutandis* to a British corps. Nicholson overtook the Sialkot mutineers in the middle of the hot weather, carrying his European soldiers in "ekkas," which, as is well known, do their 30 or 40 miles a day. I do not propose to discuss the question as to the number or locality of stations which are to have detachments of transport for small bodies of troops. As I have stated at paragraph 94, information is not at present available to enable me to do this completely. I propose, however, that the present "moveable column" system be abolished.

97. The system which I propose to take its place is, as before shown,—

1st. Regimental transport on full or reduced scale throughout India.
2nd. Depôts of transport at certain centres.
3rd. Detachments of transport from the depôts, at the out-stations, where necessary.

98. It will, I think, be agreed that the numbers of "moveable column" stations may be reduced; but the question naturally arises, supposing these numerous "moveable column" stations are still considered necessary, how are they to be provided for? The reply would be that, even if they remain as they are, carriage can, with good arrangements, be readily procured for the movement of small bodies of troops to repress disturbance in the districts. Let us, however, examine the stations which, under existing arrangements, are "*moveable column*" stations chiefly for small detachments of troops, but which I do not propose should be *depôts* of *transport* under the new organisation. I think

it will be found that, with proper arrangements, sufficient transport can always be obtained for the movement of a small force.

99. The Army Organisation Commission made inquiries of nearly every civil district in India as to what transport could be collected in 48 hours, and how much in a fortnight. The returns are, of course, only approximate, and are in many cases under the mark, while the objects of the inquiry were not always understood. But the information given below, collected from these returns, is, I think, sufficient to show that even if there were no detachments of transport from the *transport depôts*, there would be no difficulty in obtaining carriage generally for local purposes; while I am confident that, with intelligent arrangements, and a complete knowledge of transport resources, much more could be obtained with ease and rapidity.

STATEMENT showing those STATIONS in *India* which are Moveable Column Stations at present, but which are not proposed as Transport Depôts; and the Amount of Carriage which can be Collected in 48 Hours.

STATIONS.	Camels.	Ponies and Mules.	Donkeys.	4-Bullock Carts.	2-Bullock Carts.	Ekkas.
Darjeeling	—	205	—	—	200	—
Julpigorie	—	15	—	—	15	—
Saugor	—	80	170	—	30	—
Jubbulpore	6	305	140	—	145	—
Banda*	—	—	—	—	—	—
Fyzabad	—	20	60	—	50	25
Gwalior	Nil	Nil	Nil	Nil	Nil	Nil.
Jhansi*	—	—	—	—	—	—
Bareilly	—	400	—	100	300	20
Muttra*	—	—	—	—	—	—
Jullundur*	—	—	—	—	—	—
Mooltan	40	20	30	—	20	30
Sialkot	—	7	10	—	5	22
Talagaon*	—	—	—	—	—	—
Ahmednagar	—	50	—	—	300	—
Malegaon*	—	—	—	—	—	—
Satara	Nil	Nil	Nil	Nil	Nil	Nil.
Sholapur	25	100	250	—	100	—
Ahmedabad	25	100	1,200	800	—	100
Deesa*	—	—	—	—	—	—
Rajkot	—	—	—	150	50	—
Belgaum	—	25	20	—	200	—
Kohlapur*	—	—	—	—	—	—
Neemuch	10	10	150	—	20	4
Bellary	—	—	—	—	50	200
Kamptee (Nagpore)	—	10	10	—	250	15

* Details not given by the Army Organisation Commission, as they recommended these stations to be given up.

100. All the infantry corps at these stations will, under the proposed arrangements, have one mule per company, or eight per regiment, and eight light carts; and at many of the stations there would be a small detachment of transport from the depôt on which

With regimental transport, detachments of transport from the depôt, and what can be locally obtained, supply of carriage will be sufficient.

the station was dependent. It may, therefore, be concluded, that, with the amount which can be quickly collected as shown above, there will always be sufficient to move a small body of troops into the district, especially when we shall be able to come to some fairly accurate knowledge of the real transport resources of the district, and be able, under the proposed arrangements, to put the machinery for its collection quickly in motion.

Hired transport to be employed when the detachments are withdrawn from out-stations to the depôt, and occasional employment of camels.

101. Whenever the detachments of transport are withdrawn from the stations without the troops, their place must be taken by hired transport similarly, but temporarily, obtained and organized. Although regimental and army transport carts, and in many cases elephants, will always be available for the carriage of the large "European privates' tents," used in the plains of India, occasion may arise when camels require to be used for this purpose; when this occurs, they can be hired locally.

Tables of establishments.

102. The following tables give the establishments I propose for peace and war for transport divisions. The formation of a war depôt, when the transport centre or depôt is denuded of all its proposed establishment in time of emergency, must be specially considered; and I have not entered upon this question. It is, however, a simple matter, though an important one, to arrange for.

103. Only mule and pony (pack and draught) divisions are entered; but the same organisation will apply, *mutatis mutandis*, to the formation of *camel* divisions in time of emergency, and of *bullock cart* divisions, for general supply purposes and lines of communication.

104. As shown in paragraph 88 and in the tables, pages 23-27, there will be 15 transport depôts. At 13 of these there will be 500 mules organised in two divisions (or good ponies till mules are procurable), 100 light carts for one mule or pony each, and 200 heavier carts for two mules or ponies. These will be organised in two divisions of 250 mules each to be expanded to 1,000 each in time of need. At the remaining two depôts, Shillong and Rangoon, I have proposed— * Pp. 62-66 of this Return.

1 division of coolies	- - - - - - - -	200 strong.
1 division of mules or ponies	- - - - - -	250 „

In some of the transport districts, one complete division might be employed on detachment duties at out-stations, and distributed systematically between them. This division could be relieved periodically by the division stationed at the depôt, so that the former might be collected at the depôt for its training and discipline.

Pack and draught bullock divisions.

105. I do not consider it desirable, as a general rule, to keep up permanent bullock divisions for either pack or draught. Bullock carts of a better construction than the country cart should, doubtless, be kept in store, at transport depôts; and for particular work, a few bullocks may have to be maintained. This is a subject for local consideration; but, at present, for such station work there are, at many stations, the bullocks of the second line of waggons of batteries which are thus used; and there are the siege train bullocks.* I have not touched on these special portions of artillery and ordnance transport. They will no doubt have to be supervised by the officers of the transport service, just as the commissariat officers do now, when these bullocks are not engaged in special artillery and ordnance work. Draught bullocks can readily be obtained throughout India, and no harness is required. Pack-bullocks can also be easily got in those parts of India where they are used.

*There are 3,205 artillery bullocks in the three presidencies, and 1,728 siege train bullocks in Bengal alone.

ESTABLISHMENT for One Division of Pack Transport of 250 Mules, to be expanded to 1,000 Mules or Ponies in time of War.

[*N.B.*—Two divisions at each depôt, except Shillong and Rangoon.]

Peace Establishment.	War Establishment.	Number required to complete.
250 Mules and ponies in 5 panies of 50 per company.	1,000 Mules and ponies in 5 companies of 200 per company.	750 Mules and ponies.
*1 Transport officer of the permanent staff.	2 Transport officers -	1 Transport officer.†
1 Warrant officer - -	2 Warrant officers -	1 Warrant officer.
1 Sergeant - - -	5 Sergeants - -	4 Sergeants.
5 Havildars - - -	10 Havildars - -	5 Havildars.
10 Naiks - - -	40 Naiks - - -	30 Naiks.
100 Drivers, *i.e.*, 1 driver to 3 mules, and 10 per cent. spare.	366 Drivers, *i.e.*, 1 driver to 3 mules, and 10 per cent. spare.	266 Drivers.
Veterinary Establishment:		
	1 European farrier -	1 European farrier.
2 Salootries - - -	5 Salootries or native veterinaries.	3 Salootries.
Artificers' Establishment, &c.:		
5 Native saddlers - -	10 Native saddlers (moochees).	5 Native saddlers.
5 Native shoeing-smiths	10 Native shoeing-smiths	5 Native shoeing-smiths
2 Carpenters - -	5 Carpenters - -	3 Carpenters.
2 Blacksmiths - -	5 Blacksmiths - -	3 Blacksmiths.
2 Sweepers - - -	5 Sweepers - -	3 Sweepers.
Hospital Establishment:		
None—Station hospital	1 Apothecary - -	1 Apothecary.
	2 Hospital assistants -	2 Hospital assistants.

* He would be over the two divisions in peace time.
† Two additional transport officers required for second division.

N.B.—Clerical establishments may be determined hereafter; but in the detail of expenditure, Section VIII., I hav entered one clerk for each division. In ordinary times, the warrant and non-commissioned officers would also assist the officers in this work.

106. There would be two permanent officers of the Transport staff at each depôt, and two divisions of transport at each depôt and the stations dependent. In peace time, the junior officer would have charge of the two divisions, or as might be arranged. Veterinary aid to the transport would be furnished by the veterinary officer at the station. In war time, one of the two permanent officers might be sent with one division (supposing he was not required for a more important post in the field), and the other would remain to carry on the further collection of transport, &c., until the officers called in from regiments had learnt the duties; so that, ordinarily, one permanent officer would be available for one division, and would have to be assisted by a temporary officer brought in; and the second division would be officered by two temporary, but trained, officers.

107. At the special centres, Shillong and Rangoon, there should be a nucleus of a "cooly corps," as well as one mule division.

Shillong and Rangoon.

Peace Establishment.	War Establishment.	Numbers required for expansion of Division.
1 Transport officer -	2 Transport officers -	1 Transport officer.
1 Warrant officer - -	2 Warrant officers -	1 Warrant officer.
2 Sergeants - - -	10 Sergeants - -	8 Sergeants.
2 Havildars - - -	10 Havildars - -	8 Havildars.
8 Naiks - - -	40 Naiks - - -	32 Naiks.
200 Coolies - - -	1,000 Coolies - - -	800 Coolies.

The officer of the Transport staff will, in peace, supervise both cooly and mule divisions.

The establishment for the one mule division will be the same as that given for the other centres in paragraph 105.

108. For the Eastern and South-Eastern Frontier, the expansion must be met by sending up establishments that cannot be obtained locally; while, if the coolies cannot be procured in the country, or from Darjeeling, though I should hope that, with better arrangements, many good men might be got, then they must be obtained from elsewhere, as was done for the Lushai Cooly Corps; and each officer of the Transport staff at certain centres, named beforehand, should know the quota he has to furnish; the equipments and clothing to be provided; and the conditions of service. He would have all tickets and rolls ready to be filled in, when the demand arose for him to supply the men.

109. In Burma a similar establishment should be formed at Rangoon. Madras already furnishes to that port strong and able-bodied men for service in unloading ships, &c.; and to expand the corps suddenly, unless equally good men could be obtained locally from other sources, some of these men would have to be tempted by high wages, if time did not admit of obtaining them from India.

110. It is absolutely necessary that the whole of the men in the "Army Transport Corps" should be enlisted.* A comparatively large establishment has been recommended for peace and war, because the cost of this is but small compared with the economy of good supervision over valuable Government property, to say nothing of the increase of efficiency.

Establishment.

111. It is desirable that Transport and Commissariat officers shall, if their qualifications permit, be interchangeable. The science of supply and transport is not an abstruse one, but a knowledge of it is obtainable by hard work and common sense. The officer of the Commissariat sub-department should perfect himself in a knowledge of transport, and the officer of the Transport sub-department in a knowledge of supply, so that the higher and administrative grades may be full of men with an intimate acquaintance with the two subjects. In the same way, the warrant officers and sergeants should be borne on the general roll of the "Commissariat and Transport Department"; and, although they should be retained for a sufficient time in the Transport sub-department, they should rise with those of the Commissariat sub-department, and, as occasion offered, be employed in commissariat work. Similarly, the Commissariat subordinates should be employed on transport duties, so that we may have the whole department

Commissariat and Transport officers to be interchangeable.

* "It is much more easy, and there are more means and facilities, to form cavalry and infantry soldiers in a hurry than to form military drivers. If they are not regularly trained and formed, no reliance can be placed on them; and yet the most important operations of war depend frequently on the due performance of their duty by this description of corps." (Duke of Wellington, 18th July 1816.)

ment eventually manned by those who are conversant with the duties of supply and transport.

112. There are already a considerable number of subordinates employed in "cattle" duties in the three Commissariat departments, and these will probably be utilised in the Transport sub-department.

Officers.

113. In time of peace there will, according to my proposals, be two permanent Transport officers at each depôt. The duties of these officers would be extensive, and of great importance. I consider, therefore, that they should be so paid as to make the appointments attractive to the best men, and that the pay should be the same as that of the present Commissariat officers of corresponding grades.

Tenure of appointment.

114. In the present Indian Commissariat, officers rise from the junior ranks in the department, and the tenure of appointment is not limited to five years. In the English "Commissariat and Transport Department," officers are appointed, as for any other staff appointments, for five years, and seconded in their regiments, subject to renewal. They cannot, however, remain seconded longer than ten years, and then, if they elect, and are permitted, they remain permanently on the staff, and are removed from the regimental list. Until this or a similar system is introduced into the Indian Commissariat, I do not see that it can be adopted for the Transport branch.

115. This permanent staff of Commissariat and Transport officers would be available for the various higher appointments in the field; but one of the permanent officers must, as a rule, always remain at the depôt until such time as the attached officer obtained a thorough knowledge of the district, and everything connected with the work, for the supervision of the further collection and equipment of animals. Hence I have assumed that officers for the senior charge of one of the divisions, and additional assistance for the depôts, would be obtained from trained officers of those corps which were not ordered on service.

116. If the division were to move as a "cart division," there would be a surplus of establishment, and this would be added to the depôt detailed for the training of fresh men and animals collected from the district.

Mobilisation of transport divisions.

117. To expand the peace strength, the following steps would be necessary; it being clearly understood that the names of particular officers and men available to be drawn from every corps in India would be entered in lists kept for the purpose, both at headquarters and at transport depôts; that, when possible, they should be taken from corps stationed within the transport district, and the lists to be revised after every annual relief:—

1st. Five officers to be drawn from the army, viz., three officers for the divisions; one transport officer and one equipping officer, for the depôt.

2nd. To promote the sergeants to be warrant officers (temporary rank for field service only).

3rd. To draw trained non-commissioned officers from particular corps.

4th. To promote five of the best naiks to be havildars, and 30 of the best drivers to be naiks.

5th. To enlist the additional drivers for the war or expedition only.

6th. To enlist the extra artificers, &c., for the war or expedition only.

7th. To collect the additional mules and ponies.

8th. To draw from store the additional gear, equipments and materials; and to have the clothing made up, locally, if possible, on patterns which would be sealed and in deposit at the transport centre.

9th. To draw the extra hospital establishments from sources named beforehand.

Duties of permanent staff of transport depôts.

118. The duties of the permanent staff will be as follow: The supervision of the transport depôt, and generally of regimental transport, in every particular; to secure that the transport, both army and regimental, is properly and usefully employed in the circle or district; to have a thorough knowledge of their district for transport purposes, working through the civil authorities; a knowledge of the fairs and of the various contractors;

tractors; they should keep rolls of the various influential natives who would assist in procuring transport; they should have a map of the district or districts, marking on it the transport available for purchase or hire in each village; and should occasionally, by personal inspection or otherwise, satisfy themselves of the correctness of the returns received through the local European and Native civil authorities; and they should, through their own men, as well as through the civil authorities, keep up rolls of men who would be willing to enlist for field service. All payments, whether for men or material, should be made by one of the officers, or under his eye, and not entrusted to subordinates. They should also endeavour to obtain a knowledge of the districts producing camels, of the villages containing men who are by trade camel-men, and who understand camels.

119. The training and drill of the army and regimental transport, and the instruction of officers and men in his circle would be an important duty of the permanent transport staff.

120. They would see that specifications and patterns of the approved gear were always ready, and that prompt arrangements could be made for additional supplies of equipments, gear, carts, &c., to be made up; and that when transport was withdrawn from the various stations, carriage could be hired quickly, and at market rates, for local purposes.

121. Generally, the capacity of these officers would be shown by economy and efficiency in the management of the transport, army and regimental, in time of peace, and by the power possessed to expand it rapidly in time of emergency.

Control of supply and transport.

122. The general control of the supply and transport services would be under the General Officer Commanding the division or district; but that officer would be held responsible that no departure was permitted from the regulations, except under pressing necessity.

123. At the depôts, where there will usually be officers of the two branches of the Commissariat and Transport Department, the officer who was departmentally senior would exercise a general control over supply and transport. But the commissariat officer should not interfere with details of transport, or *vice versâ*. At out-stations, dependent on the depôt, the officer of the Commissariat Sub-Department would control the detachment of transport, and would be responsible for the proper employment in the public service of this, and all regimental transport, obtaining the orders of the Officer Commanding for this purpose.

Modes of appointment of officers.

124. There are only two modes of appointing officers to the Transport Sub-Department:—

1st. By creating a separate list, and making the appointments staff appointments, as is now done in England, *i.e.*, seconding a staff corps, or Indian officer in his regiment for five years, and if he elect, and is permitted to join the "Commissariat and Transport Department" altogether, after 10 years' service in it, appointing him permanently to the department. The difficulty in this case would be the existence of the present system of the Indian Commissariat Department, and of making officers of the sub-department interchangeable if they are borne on separate lists. In the English "Commissariat and Transport Department" the officers will be borne on one list, and be interchangeable; but the symmetry of this system cannot be imitated in India unless the whole organisation, as regards officers, of the three commissariat departments is changed.

2nd. The other mode is the creation of a certain number of extra appointments in three lists of the Bengal, Madras, and Bombay Commissariat Departments.

125. On the whole, I recommend the second plan, and that the following additional appointments in the ranks and classes of the three Commissariat Departments be created for the Transport Service.

126. There are 15 transport depôts in all, at which there should be, as a

general rule, one senior and one junior officer of the Transport Staff, *i.e.*, 15 seniors and 15 juniors.

127. There are eight depôts for the Bengal Presidency,—therefore 16 officers of the transport staff would be required for the Bengal Presidency, eight seniors and eight juniors; eight officers for the Madras Presidency, four seniors and four juniors; six officers for the Bombay Presidency, three seniors and three juniors. No calculation can at present be made for the transport service beyond the old frontier.

128. The following are the additional appointments I recommend to be added to the three Commissariat Departments for the Transport Sub-Department:—

EXTRA APPOINTMENTS recommended for the TRANSPORT SUB-DEPARTMENT.

BENGAL	1 Deputy Commissary General. 1 Assistant Commissary General, 1st Class. 2 Assistant Commissaries General, 2nd „ 2 Deputy Assistant Commissaries General, 1st Class. 2 „ „ „ 2nd „ 4 Sub-Assistant Commissaries General, 1st Class. 4 „ „ „ 2nd „
MADRAS	1 Assistant Commissary General, 1st Class. 1 „ „ „ 2nd „ 1 Deputy Assistant Commissary General, 1st Class. 1 „ „ „ 2nd „ 2 Sub-Assistant Commissaries General, 1st Class. 2 „ „ „ 2nd „
BOMBAY	1 Assistant Commissary General, 1st Class. 1 „ „ „ 2nd „ 1 Deputy Assistant Commissary General, 1st Class. 1 „ „ „ „ 2nd „ 1 Sub-Assistant Commissary General, 1st Class. 1 „ „ „ 2nd „

Subordinates.

129. The number of warrant officers required will be 30,—

16 for the 8 depôts of the Bengal Presidency.
8 „ 4 „ „ Madras „
6 „ 3 „ „ Bombay „

130. The proportions of Conductors and Sub-Conductors to be allotted, and to be borne on the three Commissariat lists, must now be determined. In Bengal there are—

4 Deputy Assistant Commissaries.
20 Conductors.
35 Sub-Conductors.

131. The addition to the warrant grades would be—

To the Bengal Commissariat Department—

1 Deputy Assistant Commissary.
6 Conductors.
9 Sub-Conductors.

To the Madras Commissariat Department—

1 Deputy Assistant Commissary.
3 Conductors.
4 Sub-Conductors.

To the Bombay Commissariat Department—

1 Deputy Assistant Commissary.
2 Conductors.
3 Sub-Conductors.

132. The

132. The particular men to be appointed to transport duties from the present Commissariat Departments from those warrant or non-commissioned officers who are qualified in every respect for the Transport sub-department; the numbers to be brought in, if they so elect, from those non-commissioned officers of the army who have done good service in the Transport in the field during the late Afghan Campaign, are questions which will require careful consideration and treatment, but which I cannot enter into in this paper.

SECTION IV.

ORGANISATION—*continued.*

Machinery for expansion of the Transport in time of need.

133. The first point which has to be determined is, whether an illegal* custom of pressing transport into Government service for army purposes is to continue with all its unequal pressure, hardships, and abuses; or whether the necessary reform should be initiated, by placing the just obligation of the country to supply carriage for Government service on a fair and equitable basis sanctioned by legislative enactment.

Machinery for expansion of transport depôts, &c.

Description of mode of collection.

134. This system has thus been officially described:—

"The Collector of the district is requested to render assistance in collecting carriage also. And when the demand is large, carriage is pressed throughout the districts; that is to say, all the available carts and bullocks connected with the cultivation of the whole district are frequently forced to become for a time military transport. The consequence of this is, the ryot is taken from the field, his crops become neglected, his cart and bullock injured, and, not unfrequently, the man himself is so roughly handled, that he leaves both cart and bullock with the column and runs away."

Discussion of 1864-65.

135. Some years ago a discussion took place on this very question, and civil officers stated—

"The issue simply resolves into this, whether the present open and general defiance by both civil and military authorities of the provisions of Sections 339, 341, and 383 of the Penal Code, and of reiterated prohibitions against the seizure of carts in time of peace as promulgated by the North-Western Provinces Government, is to continue."

And, again—

"At all times it is objectionable; for the tahsil chuprassies, through whom the carriage is collected, are bribed by every soul they are sent to press. What one man releases for a douceur, are seized by the next, and so on. So all pay for exemption, and still are caught at last. This is thoroughly bad, and is so hard to stop, that it may be considered inevitable. Fortunately our tahsil chuprassies are so underpaid, that they are easily satisfied; for, as a rule, amongst Indian officials, the man's bribe must be in proportion to his pay. Even here though, if the district officer allows his intention regarding carriage to be known, he is disappointed; for it all disappears. The bullocks and camels are driven off, the 'hackeries' are dismantled and buried."

Obligation of every country to supply transport for army purposes.

136. It will, I think, scarcely be contended that the Duke of Wellington was incorrect when he stated—"in every country the supply of carriage of the army is an obligation upon the owners of carriages"; while his further remarks, although made regarding Portugal, will not be deemed entirely inapplicable to India:—

"The object of the law made by Government would appear to prevent the army from getting carriages; and the consequence is, that every service becomes a matter of difficulty and risk; and as the carriages of the poor alone are forced into the service by the magistrates, they suffer all the hardships which result from the law."

137. Putting

*This is speaking generally; but there is a regulation in Sind legalising the pressure of carriage; and, I believe, a law in Bengal which does not go so far as the Sind regulation.

137. Putting aside the systems of continental nations, which may be supposed to be inapplicable to our circumstances in this country, it must be prominently noticed, that the law in England, where the growth of the military power has always been closely watched, has distinctly recognised the necessity for the impressment of carriage for working purposes, and the powers of the civil and military authorities are reiterated in clauses 109-111 of 42 and 43 Vic. cap. 33 (Army Discipline and Regulation Act of 1879); while by clause 112—

Obligation recognised in England.

"Her Majesty, by order distinctly stating that a case of emergency exists, and signified by a Secretary of State, and also in Ireland the Lord-Lieutenant by a like order, signified by the Chief Secretary or Under Secretary, may authorise any General or Field Officer Commanding Her Majesty's regular forces in any military district or place in the United Kingdom to issue a requisition under this section."

But further than this, the great transport power within the United Kingdom being that of the railway is, on the occurrence of national emergency, placed entirely in the hands of the military administration, represented by the Secretary of State for War, by the Army Regulation Act of 1871. The power of utilising the railways for military purposes is already fully possessed by the Government of India.

138. If this course of legalising the principle that Government has the power to appropriate transport on payment for the military services is pursued even in England, it follows, logically, that the Government of India should possess a similar general power, and that the illegal seizure of carriage under circumstances and arrangements which render great and unequal oppression possible, should be put a stop to.

Similar power should be possessed by the Government of India in regard to army transport.

139. If this principle be accepted, then a simple enactment must be passed, and every district in India required, when called on, to furnish its quota of transport for purchase and hire whenever the emergency necessitates the measure. By proportioning the quota to the resources of the district, ascertained and revised annually, there will be the least possible hardship to the people generally, and the greatest efficiency to the public service. And this hardship can further be reduced by dividing the quota to be furnished into several bands or divisions, so that the amount to be drawn could be regulated according to the necessities of the case. Thus, it might only be necessary to draw in the first band or proportion from the various sub-divisions of the district, and it will be quite possible, under a proper system, to distribute the requirements so as to press as little as possible, while committees, on which natives will be represented, constituted as will be explained hereafter, will decide on the prices and rates to be paid.

Simple legal enactment necessary.

140. The agency for registering the amount of transport, pack and wheeled, in the districts which may be allotted to a particular transport depôt, must be the civil authority; but the permanent staff of the Transport sub-department must be the agency for bringing together the materials of information furnished, for completing the registers and returns, and for supplying the information in compact form quickly to the superior administrative officer of the Commissariat and Transport Department, and for testing the accuracy of the information.

Agency for ascertaining and registering resources of districts.

141. The civil agency varies in the different provinces of India. Thus in the Punjab, there are the commissioners and superintendents of divisions, the deputy and assistant commissioners, the "tahsildar," or official head of the tahsil area, and the patwari or village revenue accountant; in the North Western Provinces and Oudh, there are the commissioners, magistrates, and collectors, "tahsildars" and "patwaris," in the regulation districts, and commissioners, deputy commissioners, and assistant commissioners, &c., in the non-regulation districts; in Bengal and the Central Provinces, similar officials; in Assam, the "mouzadar," or native collector of revenue in charge of a "mouza," takes the place of the "tahsildar;" in Burma, the "thoogyee" may be said to occupy this position; in Madras, there are collectors and magistrates, sub-collectors, assistant collectors, deputy collectors, tahsildars and "reddis" (village headmen); and in Bombay, collectors, assistant collectors,

Civil agency in various parts of India.

collectors, deputy collectors, "mamlatdars" or native revenue officers in charge of "talukas" (corresponding to "tahsildars"), and the "patel," or village headman.

Registration in British territory,

142. The first native official of position for keeping the registers correctly, would be the tahsildar, or corresponding official. These registers, grouped by villages in the tahsil area, should contain the description of animal or cart, the owner's name, with the owner's valuation of the animal, &c.

and in Native States.

143. I think it may fairly be asked of the various native noblemen and gentlemen, whether actually in our territory or in Native States, whose peace and existence is provided for by Her Majesty's forces, that a plan be adopted similar to that in use for British territory. No kind of pressure on them need be, or should be, enforced. The objects of the plan should be clearly explained, and their co-operation invited. At all events, I think the suggestion might be practically tried, and we should then know what native noblemen or gentlemen had the power, if they also had the will, to furnish an auxiliary contingent of transport.

Contractors and chowdries not to be ordinarily employed.

144. I do not advise contracts to be ordinarily entered into in time of peace, nor the intervention of chowdries or middlemen; nor the payment of sums of money to owners of animals and carriages for their production in time of war or emergency. It is most desirable to induce influential men to guarantee the production of a certain amount of carriage; but the agency should be under Government arrangements, and the illegal pressure of contractors or "chowdries" acting, as they do constantly, as *quasi*-Government servants, is to be deprecated. Market rates of hire should be given for carriage, when any extra transport is needed for reliefs or other purposes. If owners will not come forward, it must be obtained under the system I propose, each district furnishing its proper quota.

Permanent committees for passing, purchasing, and hiring transport.

145. There should be a permanent committee, composed of a civil officer, a transport officer, a native official and any native gentlemen of local influence who may be willing to give their services, and a veterinary surgeon. This committee should be the agency for passing, purchasing, or hiring, for the transport depôt, and general regulations should be drawn up for their guidance. But as the areas of which transport depôts would be the centres would be very large, sub-committees should be appointed at convenient places, composed of a civil officer, a specially selected military officer deputed for the purpose, and, if possible, a native gentleman of local influence, in order that only those animals, &c., fit for the service might in time of need be passed on to the depôt centre. In all cases of rejection, fair remuneration should be given for the loss of the day or days' service to the native.

Preparation of register.

146. The deputy commissioner or corresponding authority, under the orders of the commissioner, should call upon each tahsildar to cause a list in a given form to be submitted half-yearly, showing the name of each village, the number and description of animals, carts, &c., available, and the number of days' notice required to have the registered number of animals, carts, &c., brought into headquarters.

Compilation of information.

147. The deputy commissioner, under the orders of the commissioner, after receiving the several lists, would hand them over to the Transport staff, to be compiled by them. One form must be rigidly insisted on, in order to facilitate compilation. This register should be printed, and copies sent to all civil and military authorities concerned. The expense of printing will be well worth the greater facility for reference. The Commissary General of the Presidency would, in his turn, compile the returns from the centres, and submit them to the presidential Governments, local Commanders-in-chief, and to the Director of Supply and Transport with the Government of India, who would be responsible for laying them before the Government of India and the Commander-in-Chief in India in a compact and suitable form.

 148. A sketch

148. A sketch map of each transport district should be kept, and should show the names of the important towns and villages. Below the name of each village should be a number in red ink. On reference to the corresponding figures shown in the form the number and kind of carriage available from that particular village should be found. On this map, circles should be described, the first showing that the distance, within its radius, is a day's march (not exceeding 15 miles) from the transport depôt; the second, two days' march (not exceeding 30 miles); the third, three days (not exceeding 45 miles); and the fourth, four days' march (not exceeding 60 miles), and so on.

Transport map.

149. In this form should be shown the probable number of vehicles and animals that may be expected to be procured, for purchase or hire in time of need.

150. The Transport staff officers of each transport depôt should muster a certain number of animals, say, once a year, not at harvest time. This collection will test the practical number of animals available in the districts whence drawn; and the annual mustering should always be from some new portion of the transport district, for two reasons; first, not to harass the district; second, that the State may learn practically the transport powers of each portion of every district. To attendants on animals brought into depôt, good wages should be offered when the requisition for animals is sent out. When liberal wages fail to induce men to take employment, then, as a last resource, pressure, as adopted in all other countries during war time, must be carried out. Registers of men available in each village must be kept up. Hire should be granted, at a remunerative rate, to the owner of each animal or cart mustered for the number of days taken in coming in to the point selected, or to the depôt, and returning home. When animals are required, by purchase or hire, for field operations, liberal prices should be given, under arrangements to be made by the civil officers and the permanent committees.

Mustering.

SECTION V.

Training of Transport.

151. It has been pointed out in paragraph 110 that a military organisation is essential for the Army Transport Corps of India. The men must be enlisted, and consider themselves as much soldiers and under the same discipline, as the drivers of mountain batteries.

Military organisation essential.

152. The drill should be as simple as possible. The men should be able to march together, and perform sentry work in their own lines; and the divisions of transport must be able to execute such simple movements as forming column, advancing in column of route, taking ground to a flank; in fact, such movements, and those only, as would enable a general to advance or retire his transport in a military order. Beyond these movements it would be unadvisable to go; but every effort should be made to obtain efficiency in these.

Drill.

153. Saddling, picketting, driving carts, loading and unloading, stable duties and convoy duties, are essential to the working of a good transport train, and must be constantly practised; while the embarkation in, and disembarkation from, railway trains, of all transport animals, must also be part of the yearly training. The formation of transport lines and camps, the construction of rough shelter, &c., should also be practised. At transport depôts, and wherever transport detachments are stationed, arrangements should be made periodically for a certain number of transport animals being lent to regiments on days of manœuvre to expand the regimental transport for the carriage of ammunition, and the supply of ammunition in the field practised.

Transport duties.

154. All

Regimental training.

154. All officers and men should be instructed in saddling and fitting pack-saddles and gear, in picketting, and in loading and unloading everything carried by a regiment; in the packing and loading of tents; and every officer should take a turn of stable duty with the regimental transport, and see the animals groomed and fed. Good loading is a most important point; for, on it, in a great measure, not only the comfort of the animals and the rate of their movements depend on the line of march, but also their efficiency and freedom from liability to sore backs. This training should extend to the loading of elephants and camels, the latter being hired for the purpose for a short time annually.

Provision of extra Transport officers, non-commissioned officers, and men from the army for transport duties when required.

155. It has been shown at paragraph 117 that extra transport officers, &c., would be required, from the regiments not ordered on field service, to expand the transport depôts. From every corps, British and Native officers and non-commissioned officers should be selected. Language qualification as well as knowledge of transport work should be obtained, and facilities should be given to those officers and men who may volunteer to have their names entered on the rolls as qualified, to pass a short course of instruction at a transport depôt, and to attend, when feasible, the veterinary classes at Haupper, Lahore, Poona, or at the Agricultural College of Madras. Hereafter, no officer should be appointed to the permanent Transport staff without having undergone this instruction, and without having qualified in it.

Preparations of Manuals of Transport.

156. Two Transport Manuals should be prepared.

(1) For regimental purposes and for the subordinates of the Transport, a small book, like the "Manuals of Regimental Transport for Cavalry and Infantry," prepared at the Horse Guards, with simple practical instructions on all essential points.

(2.) A larger manual with all possible information required by a transport officer, with illustrations of the employment of transport in campaigns, and an account of the various systems, with full details regarding transport animals, their feeding and treatment in health and disease, stable duties, gear, transport material, such as carts, equipment, &c.

Lectures.

157. The Garrison Instructor should deliver short lectures on this subject, or the Transport Staff officers might undertake this duty.

Instruction of staff officers.

158. All staff officers should be required to attend a course of instruction at a transport depôt, and should also pass an examination in the general duties and application of transport; and all officers who have successfully passed this test should be distinguished in the Army List.

Course of instruction in transport.

159. The "transport course," generally, would consist of such points as the tending, feeding, and clothing of the various transport animals; their ailments and the remedies; fitting of pack-saddles, palans, elephant and other gear, and the repair of equipments; the construction and repair of carts and harness; the conduct and defence of convoys; the different kinds of grain and forage used; the rendering of simple accounts; and the organisation and application of transport generally.

Instruction of Commissariat officers.

160. All Commissariat officers should, on or before appointment, go through this course.

Salootries to be drawn from veterinary schools.

161. Native veterinary surgeons (salootries) must be drawn from the veterinary schools and from Native cavalry regiments not going on service.

If the above measures be adopted, there will be no lack of trained officers and men to supplement the permanent establishment of the Transport.

SECTION VI.

Equipment and Matériel.

1. *Pack-saddles; pads; and transport gear generally.*
2. *Carts.*
3. *Equipment of Army Transport Corps* { *Uniform.* / *Arms.* / *Personal equipment.*

1. *Pack-saddles; pads; and transport gear generally.*

Pack-saddles.

162. In my report on the Supply and Transport arrangements in the Afghan Campaign of 1879–80, I have dwelt upon the great importance of this question, and I have pointed out that the desideratum in a pack-saddle is, that it and its gear may admit of some misuse, and even carelessness, without becoming non-effective or hurtful to the animal. Native pack-saddles and pads do not fulfil this condition, although they are, in many cases, excellent in the hands of the native owner, whose livelihood depends on his exertions to keep his animal in condition, and who can, in plying his trade, choose his own time for marching, and his own time for saddling up, loading, and halting.

Different pattern of pack-saddles.

163. There are, practically, only two kinds of pack-saddles in the service—(1) the saddle which we have in the past campaign designated the "ordnance transport pack-saddle," because it was made up by the Ordnance Department for transport purposes, and to distinguish it from the Commissariat pad; and (2) the English general service pack-saddle. The first of these may be considered to be, in main principles, allied to the Otago saddle, although the Indian pattern has no riding seat, and is more directly the Indian mountain artillery baggage saddle, derived from one known as Hughes' pattern, from having been designed by Colonel Hughes, R.A., then commanding a mountain battery. The principle, however, is very much the same, viz., the removal of the load from the animal's spine. (2) The English pattern is that given in Clause 2639 of the War Office "Changes in Matériel," and is directly derived from the Otago.

Description and utility of the "Otago" saddle.

164. The "Otago" saddle was originally used by us in the war in New Zealand. As there were no mules in that country, horses and bullocks were the only pack-animals. Deputy Commissary General Strickland, of the English Commissariat (now Commissary General Sir E. Strickland, K.C.B.), first brought this pack-saddle into notice, in his report dated from New Zealand, 25th March 1865. He says:—

"I believe the pack-saddle now in use with this army merits notice. I know of nothing so good as it. It is the pack-saddle used by the Otago diggers. The framework of the saddle is raised high above the horse's withers, whilst the sides sit firmly on the horse. It forms a good riding saddle. The load can be easily balanced and steadied upon it, or placed upon it, or taken down from it, of a dark night."

The Otago is evidently the adaptation of an ordinary riding saddle. It was largely used in the Abyssinian Expedition, and was considered to be a good saddle, if carefully fitted. The saddles sent out from England were of three sizes, but were reported as too large for small Indian mules. The hooks from which the loads were suspended were condemned, other improvements were suggested, and greater simplicity in the gear advised. The outcome of the subsequent consideration of this important matter at home, was the present English general service pack-saddle,* mentioned before, and described in Clause 2639 of the "Changes in Matériel."

The average weights of the saddles and equipment complete are—

No. 1 size, 44 lbs. 6 ozs.
„ 2 „ 38 „ 8 „

The

* "Saddles, pack, general service."

The trees of these saddles are composed of iron arches (No. 1 of angle iron, and No. 2 of flat iron), and four side bars of beech, the lower ones on each side being designed to prevent undue pressure upon the animal's ribs, folding outwards by means of hinges to any required extent, but only inwards to a fixed angle, assumed to be that of greatest comfort to the animal. The pannels are of straw, quilted into a canvas casing, faced with curled hair, and covered over all with tanned canvas backs and cream drill linings. The harness is principally of circular web, with thongs of "Priller's hide," in lieu of leather straps and buckles. The gear consists of bridoon T bits with reins, breechings, breast-collars, headstall-collars, crupper, girths, and surcingles; chain rein, head rope, saddle-tree, and seat panels; baggage crupper, breeching, and girth straps. This is considered an excellent saddle at home. The saddle has a seat on which a man can be carried with comfort.

Reports on English pack-saddles.

165. In 1877, some of these English pattern pack-saddles were made up at Cawnpore, and issued for trial to the Punjab Frontier Force and artillery batteries. Major General F. Roberts, R.A., C.B., V.C. (now Lieutenant General Sir F. Roberts, G.C.B.), was then commanding the force, and reported in June 1878 that these saddles were "good and serviceable." Altogether, the reports of the various officers were, on the whole, favourable; some even describing the saddle as in "every way superior," and as "excellent."

It may be also noticed that the English pattern pack-saddle was tentatively approved by the Commander in Chief in 1877, on the report of a special committee at Delhi (19th December 1876), on the carriage of small-arm ammunition.

Report of Simla Committee of 1878 (Colonel Le Messurier).

166. At that time, September 1878, there was a Special Committee on Artillery Equipments, sitting at Simla, under the presidentship of Colonel Le Messurier, R.A., and the question of pack-saddles was referred to it. This committee reported that, "except "for mountain batteries, which are already equipped with special saddles, it is "desirable to employ, as much as possible, the gear in ordinary use in the "country; and that the most efficient and easily manufactured pack-saddle is "simply a well-stuffed leather pad, completed with breast-piece, girths, breeching, and crupper, with two rings on each side, to which the load can be "attached to prevent it shifting when going up or down hill, similar to the "roughly made pad forwarded herewith, marked No. 1. This pad should be "placed over the gear of the mule, such as that received with the letter of the "21st September, above quoted, in place of the 'Dotunga,' which is very "flimsily made, and so thin, that the edges of small-arm ammunition boxes, if "slung over it, would gall the mule. The 'sulleetah' should be used over this "pad, to carry soldiers' kits, ordinary stores, &c. The 'chutt,' for Commissariat stores, and the accompanying double sling bag for carrying small-arm "ammunition boxes, are submitted for approval; with it, care should be taken "that the portion crossing the animal's back is short enough to prevent the "load pressing unduly on the lower ribs.

"Should it appear inexpedient to utilise the country mule gear as here "recommended, the saddle marked No. 2, sent herewith, is submitted, as being "all in one; it may be looked on as an improvement on the Punjab pad, and, is "suitable for carrying every description of stores, except guns, &c., requiring "special fitting. The enclosures and gear received with the letter of the 21st "September are herewith returned. The 'chutt' has been altered into the "double bag for small-arm ammunition boxes."

Pattern recommended by committee accepted.

167. The Commander in Chief concurred in these views, and on his recommendation the Government of India, in the Military Department, accepted the pattern (No. 1), and ordered its adoption in place of the standard mountain battery pack-saddle, which had previously been approved, and in supersession of the English pattern pack-saddle which had been well reported on. The pack-saddle was, therefore, abandoned for the pad, of a pattern supposed to be similar to that in use by natives of the country. This pad, now known as the "Bengal Commissariat pad," was that which I found in use as the service pattern, on my assumption of the office of Controller General of Supply and Transport, in September 1879.

 168. Experience,

168. Experience, however, convinced me of the extreme unsuitability of this pad, and, as mentioned in paragraph 56 of my memorandum on the supply and transport operations in the campaign of 1879-80, on my return from Kabul in January last, I arranged for the manufacture of large numbers of pack-saddles in supersession of the pattern known as the Bengal Commissariat pad, which had been adopted (*see* paragraph 167) on the report of Colonel Le Messurier's Committee of 1878.

The "Ordnance transport pack-saddle."

169. This "Ordnance transport pack-saddle" is, as I have stated, derived from Colonel Hughes' pattern of baggage saddle for mountain batteries, and may be thus described. The weight of the large size, with gear complete, is about 52 lbs.; and of the smaller size, 50 lbs. The length of the saddle from front to hind arch is 15 inches (exterior measurement). The front and hind arches are made of one inch by quarter inch angle iron, bent and forged, and secured together by two tie-bolts of half inch bolt iron, having at each end a screw thread with an hexagonal nut, these tie-bolts also securing the hook-plates to the front and hind arches respectively. Two binding plates of one-and-a-half inches, 14-gauge hoop-iron, are rivetted on to the front and hind arches at about one-and-a-quarter inches from the bottom. A ring (two inches) passes through a staple, which is rivetted on to the hind arch through the hook-plate. There are two hooks on each arch secured by rivetted staples at about one inch from the bottom of the arches, to which are fastened the chains of the breast-piece and breeching. The side-bars are of "sissoo," and have two bevilled slots in each to take the metre girth straps; and two staples (clinched through) are at each end to fit into the slits in the pockets of the pads. They are three-and-three-quarter inches wide, and rivetted on to the arches with four iron rivets each. The saddle pads are of leather, lined with "looie" or country serge, and stuffed with five lbs. of wool each. They are secured to the saddle by pockets, which fit over the ends of the side-bars, and by two small straps each to the binding plates; they measure 22 inches by 16 inches.

Description of the Ordnance transport pack-saddle.

170. The history, in brief, of this ordnance transport pack-saddle is as follows:—

History of the ordnance pack-saddle.

A committee at the Camp at Hassan Abdal, in 1872-73, recommended improvements in the Hughes' pattern-saddle then in use at Peshawar and Pindi; committees at these two places were assembled, and certain alterations, such as the strengthening of the ironwork, proposed by the Pindi Committee, were recommended by the Commander in Chief (Quartermaster General's, No. 1857 C., dated 20th February 1875), who considered it could not be improved on in its general construction. This pattern was ultimately approved by the Commander in Chief on the 9th May 1877, as the standard baggage saddle for mules, and deposited at the Harness and Saddlery Factory, Cawnpore; but, as before-mentioned, it was superseded by the pad recommended by Colonel Le Messurier's Committee of 1878.

171. In my opinion, this putting aside an approved pattern saddle for an inferior article, which was neither of European nor of Native pattern, was a mistake. I convinced myself that these "Bengal Commissariat pads" were objectionable in many respects.

Unsuitability of the "Bengal Commissariat pads."

172. At the present moment, therefore, the "Ordnance transport pack-saddle" is, in my opinion, the pattern to be approved and retained as the pack-saddle for transport purposes after it has been improved, and, perhaps, somewhat more assimilated to the English pattern. It costs only 27 rupees as made up in the Harness and Sadlery Factory, Cawnpore. It has been very extensively tried in the late Afghan Campaign of 1879-80, and full reports have been furnished by directors of transport, general and regimental officers, transport officers, and by equipping officers. From these reports I gather that the pattern pack-saddle is, as a rule, entirely approved. I do not, however, consider that it is perfect, and some improvements are, doubtless, needed.

"Ordnance transport pack-saddle" recommended for general adoption.

173. There

173. There is no question that rib-sores are caused when this pack-saddle does not fit, if the stuffing is not sufficient, or the animals, such as ponies and yaboos, fall off in condition. The iron arches, if not properly turned out, pinch the sides, and cause swellings and sores under the lower iron connection or binding plate, and between this connection and the wood side-bar. Improvements have been proposed by myself and the officers of the Transport Department; and I have been in communication with the Manufacturing Department at Cawnpore. Among these improvements I may specify—

Defects which require remedy.

(1.) The shortening and turning outwards of the iron arches,* so as to avoid pressure on the side of the animal;

(2.) Additional stuffing in the panels, especially in the lower part;

(3.) The making of a pocket on the outside of the pad of the saddle for the purpose of stuffing, instead of by means of a slit in the lining on the inside of the pad;

(4.) The manufacture of the saddle in different sizes;

(5.) The lightening of the saddle and gear consistent with strength.

If these points are attended to, and the attention of transport officers, and the Manufacturing Department, earnestly turned to improvements, then, I believe, we shall obtain as cheap, durable, and efficient a pack-saddle as may be got. A certain degree of finality is no doubt required. This saddle should be sealed with the improvements which have been ordered on the great experience of the past campaign; and sealed patterns maintained at head quarters, at the various transport depôts, and in the Ordnance Manufacturing Departments of the three Presidencies. The non-perishable part of this pack-saddle, viz., the ironwork, should be kept in all arsenals throughout India.

174. In the official record of the Abyssinian Expedition, pages 266-68, Volume II, will be found an account, with drawings, of the various pads there used, viz., the Punjab, Bombay Ordnance, Bombay Commissariat, Egyptian and Persian pads.

Pads.

175. In paragraph 166 I have quoted the recommendation of Colonel Le Messurier's Committee of 1878 in support of the pad they introduced and which was adopted. This pad was, as I have stated, adopted for use in 1878, in supersession of the English pattern general service pack-saddle, which was derived from the Otago pattern, and had been the subject of long trial; and in supersession of the Hughes' pattern saddle, now known as the "Ordnance transport pack-saddle," which had also been tried for many years and approved by high authority. Patterns of this pad were made up by the Commissariat Department, and were used in the Afghan Campaign of 1878-79.

Descriptions of various pads.

I have endeavoured to obtain the extract pattern of the pad recommended by Colonel Le Messurier's Committee of 1878, which was adopted as the service pattern, and which was made up in such large numbers for the campaigns of 1878-79 and 1879-80. I have not, as yet, been able to obtain the original pattern, though I have just learnt that it is at Rawul Pindi.

176. The

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* The superintendent of the Harness and Saddlery Factory, Cawnpore, in his No. 2181, of 16th September 1880, recommended three sizes, as follows:—

	Front arch.	Hind arch.
No. 1 small	6¼ inches at top of side-bars.	8½ inches at top of side bars.
	16¼ inches opened to 16¾ inches at points.	19½ inches opened to 19¾ inches at points.
No. 2 large	6½ inches at top of side-bars.	8¾ inches at top of side-bars.
	16¾ inches opened to 17¼ inches at points.	20¼ inches opened to 20¾ inches at points.
No. 3 yaboo	7 inches at top of side-bars.	9½ inches at top of side bars.
	20 inches at points.	22 inches at points.

The points can be turned a little more outwards with ease, and this might be done at any time. The angle iron of the arches is well-rolled Staffordshire iron, and will bear a sufficient blow with a hammer, cold, to curve it outwards ¼ an inch, or ½ an inch, if necessary, on either side. This could be done in any station where a blacksmith is to be found with hammer and anvil.

176. The "Bengal Commissariat pad," which is of the "soondka" pattern, and must be considered as that proposed by Colonel Le Messurier's Committee, or resulting from their proposals, may be thus described:—

Description of Bengal Commissariat pad.

It consists of the following parts:—

(1.) Two leather pads, 20 inches square, united by three straps, allowing a space of three inches to four inches along the backbone of the animal. These pads are leather on the upper side and lined with blanket on the lower, or inside, next the animal.

(2.) The "soondka" or "soondha" is a roll of the shape of a hair-pin; it is 35 inches to 36 inches long, and (originally, and in native patterns, is not fixed to the pads) is placed on the animal's back under the pads, so that it is adjusted to prevent the load pressing down on the backbone. In the present pattern it is fixed under and to the pads. The rounded or fore end of the "soondka" projects about from six and a-half inches to nine inches beyond the pad, according to samples made at various places, and rests on the withers and neck, and about six inches to 10 inches in rear.

The circumference of the soondka is about 14 inches in front, 16 inches under the pad, and 13 inches in rear.

(3.) Breast-strap fastened to points near the lower fore corners of the pads (by buckles on the off side) 52 inches long, with a neck-strap supporting it.

(4.) Crupper, 20 inches long.

(5.) Breeching straps 61 inches, with flank strap supporting the breeching and passing through a loop in the crupper.

(6.) Two belly-bands are fastened to rings 13 inches from the top edges of the pad. These rings, one front and one rear on each pad, are connected by a strap 29 inches long, sewn into the pad, and passing from one pad to the other. The cost of this Bengal Commissariat pad is about 12 rupees on an average.

177. This pattern was again reported on by a committee at Rawal Pindi on the 20th May 1879. The Rawul Pindi Committee generally approved of the recommendations of Colonel Le Messurier's Committee of 1878. The "Pindi Committee" was not composed of officers who had any great experience in this important matter of equipment, and another committee was convened at Simla on the 24th July 1879 to consider the report of the Rawul Pindi Committee, under the presidentship of Major Mackinnon, Assistant Adjutant General for Musketry. This Simla Committee of 1879 considered, "that the principle of using leather pads with breast-pieces and breeching, in addition to the ordinary gear of the country, for general transport purposes of an army in the field, is a right one, and is superior to any other description of pack-saddle or pad that has been tried heretofore."

Reports by Committees on pads.
Rawal Pindi Committee of 1879.
Simla Committee of 1879.

178. They found, however, that in many cases the country equipment which was supplied was not complete, being deficient in one important article, viz., the "binee" or "mulee,' which rests immediately on the animal's back. This fact had been noticed by a committee at Quetta during the 1878-79 campaign, of which Major Noble, R.A., was president, in the following terms: "The under-padding, or 'mulli,' which forms an important portion of the Punjab gear, appears to have been omitted altogether from the gear supplied for transport purposes with the Kandahar field force. The Committee consider that the galling of the mule's withers by the roller, or 'soonda' (soondkha), was mainly due to this omission."

Quetta Committee of 1878-79.

179. The Simla Committee of 1879, of which Major Mackinnon was president, had samples of pads made up of the pattern they recommended, at the Harness and Saddlery Factory, Cawnpore; and they were forwarded to various experienced officers in the field for report.

180. Colonel Low (afterwards Chief Director of Transport, Kabul Field Force) reports as follows:—

Report by Colonel Low on the pad proposed by the Simla Committee of 1879.

"The

"The saddles may be described as simple thick pads joined at the top with bars of leathers, the outside surface being bound with leather."

He states that the arrangements for securing the load are defective; that the load forced the saddle down, and that he had to protect the animal's back from these leather bars or straps. He did not consider the saddle and gear equal to the usual native saddle. A Committee which assembled at Thull on the 9th February 1880 also reported against these saddles or pads; and as I was at that time taking action in a direction different to that approved by the Simla committee of 1879, further trials of this pad were dropped, and the question transferred to me. As I have before stated, I had adopted the modification of the pack-saddle which had been so long in use in the mountain batteries in India.

181. The defects of this pad, known as the "Bengal Commissariat pad," are as follow. It has neither the strength nor efficiency of the pack-saddle. It is not a correct adaptation of the native gear, because some of the most important portions of that gear are omitted. Any one who has inspected a native of the Punjab saddling his pack-mule, must have been struck with the care and attention bestowed on the proper adjustment of the numerous items composing the gear.* Except in the hands of the native owner, this nicety of adjustment, under all the great hardships and difficulties experienced by the transport on field service, is not possible. Under these circumstances, it is not in human nature that comparatively unskilled men, which the majority of the drivers must always be, who have no pecuniary interest in the transport animals, should take great care of the minutest detail in saddling. Men can be taught to saddle and load with care, if they are supplied with a strong and simple pack-saddle. But, in long and exhausting marches, it can never be expected that native drivers will securely preserve a number of articles of gear, the loss of one part of which, in the native pad, &c., may ruin the efficiency of the whole.

Defects in the Bengal Commissariat pad.

182. In the native gear, the "soondka," or roller, is placed on the top of all the softer parts of the gear. In the pattern adopted as the service baggage saddle or pad, on the report of Colonel Le Messurier's Committee of 1878, it is placed underneath; and either rests actually on the animal's back; or the latter is only protected by a blanket, the proper folding of which has always been a difficulty in highly-trained cavalry, and cannot be regarded as otherwise than a very distinct evil in the hands of ignorant muleteers. The "soondka," if separate from the saddle, requires nice adjustment; if fixed, there is a certainty of its shifting with the pad, and the soondka and pad cannot both be in their proper places, unless separately adjusted; if not fitting all animals with which it may be used, it gives sores on the withers, and is only suitable to those with low withers; and is thus not adapted for large yaboos or ponies. The "soondka" pad is also deficient in means for keeping the load in the proper place, going up or down hill. It cannot be readily restuffed; and as its utility depends on the retention of its shape, this is a great objection. This Bengal Commissariat pad was reported on by the Commandants of the Punjab Frontier Force, and considered unsuitable by every Commandant, except one.

Adjustment of the "soondka."

183. As it may not, for the present, be possible to have *pack-saddles* made up in sufficient numbers, I should propose to utilise the present Bengal Commissariat pad temporarily in the permanent transport service, if necessary; and as it can be made up in every bazaar throughout India, I should recommend its defects being considered, and remedies applied, as far as possible.

Utilisation temporarily of the Bengal Commissariat pad.

184. I do

* EXTRACT from Report by Major Hayter, Director of Transport, 2nd Division, Northern Afghanistan Field Force, on Transport Pack-Saddles, dated 13th May 1880.

"It is a well-recognised fact that hired mules very rarely suffer from sore backs; and one reason undoubtedly is, that the soondkha neither shifts nor touches the withers, and is never removed till the mule is cool. A thick jhool doubled and blanket rest on what is termed the "kuttul" or four flat rollers without stuffing, of the same shape as the soondkha, which is thus sufficiently raised to clear the mule's withers; there is no leather pad, but a broad band secured by one girth only; to this band is attached the breeching and breast-plate made of strong and coarse material, devoid of buckles and straps, which keep the soondkha in its proper place, and friction is of very rare occurrence. No simpler plan in such hands could be devised for keeping the soondkha."

184. I do not propose to enter into further detail about pack-saddles and pads. Of pack-saddles, there are many other patterns, such as the Hungarian, MacMahon, Manilla, Spanish, Mexican "Apparejo," which may appropriately be touched on in the Manual of Transport to be prepared. In regard to the pads, there are, as is known, also many patterns. The Afghan "pallan," a clumsy article, without tree or framework, but which is efficient in the hands of men born and bred to its use; and the Bombay pad which, as I have stated at paragraph 41 of my Report on the Supply and Transport Operations of the Afghan Campaign of 1879-80 is heavy, clumsy, and calculated to produce sore back," &c. &c. Nor will time or space permit me to touch upon the various articles of mule and pony gear, besides pack saddles and pads. These should be reported on, and after investigation and the results of the past campaigns have been considered, patterns should be sealed and distributed as I have proposed for pack-saddles, &c. (*See* paragraph 173), so that any quantities may be made up of a similar pattern in all parts of India. For the carriage of ammunition and regimental baggage and equipments of all kinds, the pack-saddle is the best. But in any campaign where a very large quantity of pack transport had to be used, it might be difficult to produce suddenly the number of pack-saddles required; and the Bengal Commissariat pad may, if carefully improved, be used for supply purposes and on lines of communication.

Elephant gear.

185. Elephant gear is well known, and I will only remark—

1st. That it is desirable it should be of one pattern throughout India:

2nd. That the experimental pad, &c., proposed by Mr. Sanderson, Superintendent of the Daccas Kheddas, should be fairly tried, as it seems to be an improvement on the old pad.

Camel gear.

186. The camel "palan," as made up for the Commissariat Department, is far from perfect; and it has been pointed out that those employed by the local camel carriers in Afghanistan were very superior, being of larger size than the Government "palan," and better stuffed. This is a subject which requires the careful consideration of the Commissariat and Transport Department, because, although we do not wish to maintain a permanent establishment of camels, these animals must be employed, occasionally in peace, and in great operations of war within India and countries adjoining; so that we must recognise the necessity for perfecting the gear, as well as keeping up and improving our knowledge of the camel, its habits, and treatment in health and disease.

Pack-bullock gear.

187. There is little to be said about pack-bullock gear. The pack employed in Central India is considered by some to fulfil the conditions of a good pack-saddle for bullocks; with the bullocks of the brinjaris, grain is carried in a "khoorjee," and a numdah placed between the two bags. Here also, it is necessary for the Transport Department to see that knowledge is kept up of this native gear, and that if necessity should arise of having it made up by the department, the best pattern is used.

Evils arising from existing mode of dealing with this important question of equipment.

188. I think it will strike those who have considered the foregoing remarks on pack-saddles, and their history in recent years in this country, that the arrangements under which this question, all-important to army transport, and hence to the efficiency of an army, has been dealt with, are not satisfactory. The voluminous and confused correspondence between five different departments, the Military Department, the Quartermaster General's Department, the Adjutant General's Department, the Commissariat Department, and the Ordnance Department, not to mention the Military Department of the Punjab, and the Local Governments of Madras and Bombay, afford a very clear and direct example of the insuperable difficulty of dealing with this matter, under the present conditions of complex administration. The various and numerous committees which have considered the subject have not, as a rule, been authoritative from the selection and experience of the members; and I have felt it my duty to point out that great evil has resulted from the way in which the pack-saddle which had been chosen after many years of trial, was discarded for a pattern which had neither the good qualities of the European nor of the native example.

189. The

189. The remedy, in my opinion, for this state of things is—

1st.—The placing of the responsibility for efficiency in patterns of pack-saddles, and all army transport equipment, in the hands of the Director of Supply and Transport, the officer of the military administration to be charged, under my proposals, with the supervision of all transport matters in India on behalf of the Government of India.

The subject of transport equipment to be left to the Director of Supply and Transport.

2nd.—The reference of points of detail and those involving doubt to a permanent representative Committee, composed as follows :—

Aided by a permanent committee.

The Adjutant General in India.
The Quartermaster General in India.
The Commissary General.
The Inspector General of Ordnance.
The Director of Supply and Transport in India.

This committee, which should have the power of calling on experts for their opinions, should be the authority to recommend specifically the patterns of transport equipment. The committee would take the evidence of officers practically experienced in transport equipments, belonging to the Army, to the Commissariat and Transport Departments, or to the Manufacturing Department; but would be responsible for the conclusion arrived at and recommended for adoption, in place of temporary committees assembled here or there, frequently of no extended experience, or but imperfectly comprehending the wide scope and application of the subject. This committee should be for the whole of India, and it should not be permitted to Local Governments or Departments to alter the patterns resolved upon, although any local opinion should be carefully considered. These remarks apply with equal force to the next division of this subject, *viz.*, carts for transport purposes.

2. *Carts.*

190. I have stated at paragraph 54 that I do not recommend the maintenance of Indian "country" carts in Government employ. The country teems with these. They have proved both in this campaign, and in previous operations of war, of great value in conveying supplies on lines of communication, both within and beyond the bases. Their collection and organisation for employment is a subject of great importance; and we should have a thorough knowledge of the resources of the different parts of India in carts, and the patterns which are approved by the people. But it is obvious that these country carts, drawn by bullocks, are not suited to quick military movements, nor to the transport of forces engaged in expeditions beyond sea.

Carts.

191. I will first discuss briefly the patterns of carts employed in the past and in previous campaigns, enumerate the patterns in use in the home service, and those which have been proposed or recommended for India, premising that the reports I have called for from the Directors of Transport in the field have not yet all been received. I will then endeavour to explain the directions in which I think we should work.

Description of the various carts in use.

192. For an organised military transport, I put aside the cumbrous vehicles known as the "hackeries" of the Punjab and Hindoostan, the Cutch carts, the Bankipore and Bithea carts, and all similar patterns of rude construction, good enough on fair roads in their own districts, and in the hands of the native owners, who choose their own time, their own rate of movement, and their own primitive mode of repair, but ill adapted for quick work and for an army transport corps, which is liable to service under varied conditions of country, road, and climate.

Country carts.

193. The pattern called the "military transport train cart," made up for service in the military transport train between Jhelum and Peshawar, was merely a country cart with boarded sides, and is, with the rest of its species, not adapted to army transport.

Military transport train carts.

194. This cart did well enough on the Jhelum and Peshawar road, where it was carefully supervised and overhauled, after each trip, in the workshops at Jhelum. When it was employed on the Khyber line, it was reported as being of faulty design, and too weakly in construction for the trying military transport service of that line.

Bankipore and Bithea carts.

195. The Bankipore and Bithea carts may answer in their own districts, but they are not suited to the Punjab, and are entirely unfit for military transport purposes. The other patterns of country carts were not more suitable, and I fear will afford no great help in designing a military transport cart. The Sukkur (Sind) carts are described as strong little carts, but too low.

Bombay cart.

196. The Bombay country cart is well spoken of by some. Colonel Mignon, Commissary General, says:

"The Bombay bullock hackery, as used everywhere in this Presidency, could easily be procured in large numbers, and at a cheap cost, more especially at Bombay, Panwell, and near Nagar. It is much lighter than the Government 'platform cart,' and quite sufficiently strong and durable for ordinary campaigning; it is easily repaired."

Madras cart.

197. I notice also it is stated by the Quartermaster General, Madras, that—

"Sir Neville Chamberlain was very much struck when he came to this (Madras) Presidency with the superiority of the country carts used here over those in the North-west. The high wheels and better axles are improvements on the old cart of the country, and were probably copied from English patterns."

Bombay municipal cart.

198. The Bombay municipal cart was used on the Khyber line, and is reported as a good useful cart, but that the axle is insecurely fitted to the body.

Improvements in the various country carts to be considered by Transport officers.

199. It is of course possible that we may obtain useful ideas from the vehicles of the country, and we may certainly benefit them in the way apparently the Madras country cart has been improved.

200. Undoubtedly, the Transport staff must make themselves acquainted with the merits and defects of the various patterns, because we are always liable to have to employ these carts in India, or even beyond the frontier, whenever large operations of war are necessary; while if, at any time, it became requisite to collect, withdraw, and send over seas a large portion of the permanent military transport and carts, we should have to hire or purchase the local carts for use, in the absence of the permanent carts of the Army Transport Corps.

Maltese cart.

MARK II., CLAUSE 1567.
War Office "Changes in Matériel."

201. The Maltese cart is, on the whole, the most useful military cart which we have had in the transport service. The latest home pattern (Mark II) may be thus described. It consists of two side pieces, bolted across an axletree bed, and connected by an earbed, splinter bar, and six slats or bars of wood. The axletree bed is of elm, and the remaining parts of the frame of ash. Upon the near side a small outrigger is fixed to the splinter bar to take a swingle tree for double draught; and on the points of the shafts there are eye-plates to receive the trace hooks of a leading horse, or drag ropes. The cart may be fitted as a forge, ambulance, or water-cart.

Maltese cart.

MARK III., CLAUSE 3556.
War Office "Changes in Matériel."

202. Clause 3556 gives the particulars of Mark III:—

"It differs from Mark II (§1567) in the following particulars:—

"The sides are parallel to the centre line, the shafts are removable from the sides, and the wheels are similar to those of the 7-pr. Kaffrarian carriage (Mark II, § 3473, clause 11), except in the naves, which have malleable cast-iron flanges.

"The wheels are designated 'wheel, travelling, 3rd class, malleable cast-iron nave, 5 feet diameter, 3-inch tire.

"The shafts are attached inside each side, and are removable by taking out the bolts, *&c. &c.*—

		Cwt.	*qrs.*	*lbs.*
"Weight -	body, with shafts - - - -	2	2	24
	linch pins and washers, wheels (2) -	3	1	17

"Tonnage

"Tonnage - { for shipment - - - - - - 1·6 tons.
for transport in boats - - 8·776 tons.

"Rectangular space occupied in boats, 2 feet 6½ inches × 6 feet × 5 feet total height."

Cost and utility of Maltese carts.

203. Maltese carts were used in the Abyssinian Expedition, and found very useful; and also on the line of communication between Sukkur to Quetta in the Afghan Campaign of 1878–79.

204. The carts made by the contractor at Bombay cost *Rs.* 182-8 per cart. In the Gun Carriage Factory, Fatehgarh, the cost was reported to be *Rs.* 346-7-9, including all charges.* For the campaign of 1879–80, these carts were made in considerable numbers by the Ordnance and Public Works Departments; and have been very useful. The Chief Director of the Khyber Line Force Transport says, that they "have done most excellent service; they are by far the best carts I have in my transport." These carts are also highly reported of by other experienced Transport officers. The addition of ring-bolts for lashings, at the ends of the side pieces, is now being considered in the manufacturing department. It has also been suggested that the linch pins should be secured to the wheels, so as to prevent the drivers losing them on purpose.

Modified design of Indian pattern Maltese cart.

205. The Indian pattern of Maltese cart is fitted with poles for two bullocks. The Inspector-General of Ordnance has, however, submitted a design based on the pattern described in Clause 3,556, but modified for *one* pony or one bullock. On the advisability of adopting this design, I have asked the opinion of the Ordnance and Manufacturing authorities of the Madras and Bombay Presidencies, where the question has also been considered, and of the Chief Director of Transport in the Khyber Line.

206. I think that it will be found advisable to have the larger and heavier pattern of Maltese cart adapted for two mules or two bullocks, and a lighter cart altogether for one mule or pony, especially for service in the regimental transport of small-arm ammunition.

Pony carts.

207. In regard to lighter carts for the transport service, action was taken in September 1879, and a bamboo pony cart was made up at the Gun Carriage Factory, Fatehgarh, on the principle of one recommended by Major Heyland (*see* paragraph 220). The cost of the cart with "tired" wheels was about *Rs.* 25, and the weight 184 lbs.

208. It is thus described by the Superintendent of the Gun Carriage Factory, Fatehgarh:—

"This cart consists of two common 'ekka' wheels, a sál axlebed 4″ × 4″ × 3·6″, "with iron axle-arms, four solid bamboos (*lathis*) lashed to the axlebed, to "which are lashed two hollow bamboo shafts, and two solid bamboos across. "This frame carries a stout net for baggage, and a removable stretcher made "of hollow bamboos and gunny, for one man to lie upon, or two to sit upon face "to face, with feet in the net below the stretcher. Has two loops of split solid "bamboos to support a cover; coarse gray country blankets would be the "best. The loops to be inclined inwards, to give more slope to the cover in wet "weather. The harness consists of a belly-band with tugs, and a band for "breast of pony or hump of bullock, of doubled gunny, the latter being lined "with sheepskin." These carts were not at first approved of either on the Khyber or on the Kuram line. The following defects were reported, independent of the alleged badness of the bamboos and harness:—

(1) Smallness of the wheels;
(2) Heavy running of the vehicle when loaded, over a rough road.

A later report, however, says that they have proved useful for the conveyance of stores in a hilly country, unsuited to other carts.

209. On the Kuram line, the pony carts were at first considered too slight for the exceedingly bad and stony road. Subsequently, here also, the Director stated that they were doing good work in bringing in forage; and that they would

* The cost of the Maltese cart at the Gun Carriage Factory, Bombay, is lately reported to be only *Rs.* 150-11-3. I have instituted inquiries regarding this discrepancy between the two factories.

would be a great improvement on pack-animals on the line of communication, if only the roads were improved. In his last report these carts are spoken of more favourably.

Ekkas.

210. In regard to "ekkas," it was found that no alteration for the better could be made in the construction of the common ekka of the country, to adapt it for transport purposes. To adapt it for ambulance purposes, the only suggestion that could be made was to lash on to it a stretcher of the same pattern as that sent with the Maltese cart, which is identical with that carried on what is called the "Fort William ambulance."

Kabul cart.

211. A pony cart to carry eight maunds was made up in the Transport workshops at Sherpur cantonment, Kabul, under Colonel Low, and, after many trials, was found to be of great service in convoy work. Lieutenant General Sir F. Roberts, G.C.B., speaks of it in his Report, No. 1339 of 17th April 1880, as "a combination of the ekka and the Maltese cart," "strong and light." It was, of course, not possible to construct this cart of the best materials, or with the best workmanship; and the cost was naturally high, viz., 93 rupees. The cart consists of a platform of six transoms, with front and rear bars. It has side-rails. The body is removed from the axletree by unscrewing the axletree bolts. The standards are fastened to the bottom rail, front and rear, by a bolt outside and a bracket inside, the bolt of which passes through the shaft and rails. The back-rail fits into a clip on one side and turns on a bolt. The side-rail is fastened to the axletree by two bolts through the latter. The following are the measurements:—

Side-rail	6	feet 6 inches.	
Front of cart	2	„ 9 „	to open out shafts.
Rear of cart	2	„	
Shafts	4	„ 8 inches.	
Wheels	4	„ in diameter.	
Standards	1	foot 6 inches.	
Stock	7½	inches.	
Felly	4	„	width.
Tire	2	„	
Side-rail	5	„	at axletree.

Width of cart from wheel to wheel, 4 feet.

212. The shafts were of poplar, wheel, fellies, and stock of mulberry, and the spokes of walnut. It has been suggested that the shafts might be of bamboo. Major Hayter, Director of Transport, says: "I have every reason to believe that, with thorough good workmanship, no pattern is superior for big ponies; the pressure on them is reduced to a minimum. The harness and saddlery is the ordinary ekka pattern, and I have not found that galls occur from its use when the pony is in good condition." I have taken steps to have a pattern of this cart sent to the Gun Carriage Factory, Fatehgarh, to see in what way the construction and materials can be improved; and how far the cost can be cheapened; and drawings will be made and considered by the manufacturing departments of the three Presidencies.

Engineer equipment carts.

213. Although not used in transport service, I understand a light equipment cart was designed and made up at the Roorkee Workshops for service in the Khyber, and that this cart is well spoken of. It has been thus described:—

Height of wheels	4	feet.	
Outside width of track	4	„ 7 inches.	
Inside dimensions of cart	5	„ 5 „	× 3 feet 3 inches.
Height of side of cart	1	foot 2½ „	
Bottom of platform transom above axle	8½	inches.	
Weight, empty	10	maunds.	
Weight of load	10	„	

It is fitted with pole and yoke for two bullocks, and strong springs. It cost 200 rupees at the Roorkee Engineer Workshops.

Experimental carts.

214. Several light carts have been proposed, and some of them tried on recent service.

Major Beckett's cart.

215. Major Beckett proposed a light cart, which was made up at the Gun Carriage Factory. He thus describes it:—

"It

" It would go over very rough ground, and could by the shafts before and the " poles behind, after unharnessing the mule, pony, or bullock, and, if necessary, " unloading the cart, be carried by four men over any bad place. The wheels could " also be removed. Iron would only be necessary for the axle, and in the tires and " other portions of the wheels. All the rest would be bamboo, and there would " be no springs. The chief peculiarity in the cart is the arrangement of the " double pairs of bamboo poles. Each pair being made to lap over in the " middle, and securely bound together with raw hide, forms a strong and elastic " support for the body of the cart, the platform of which would consist also of " pieces of bamboo, fastened crosswise upon the double part of the poles, as " will be seen from the rough sketch which I enclose. The ends of the poles " form the shafts in front, and extend three or four feet behind the cart, " which can thus be lifted, when necessary, on men's shoulders, like an ordinary " dooley."

The Inspector General of Ordnance reported that it appeared superior both in strength and lightness to the bamboo-cart of the pattern mentioned in paragraph 208, and that it was cheaper.

216. Twelve carts of this pattern were made up and sent for trial to Peshawar. It was reported that the body of the cart was good, but that the bamboos were tied together with string, which could not last. The wheels were said not to be strong enough. A further trial was ordered to be made of these carts on the Khyber line, but this report has not yet been received.

Captain Wintle's cart.

217. A light cart, designed by Captain Wintle, R.A., Equipping Officer, was sent to Kabul for trial; but the Chief Director of Transport reported that it was defective in the way the body of the cart is attached to the axle. The cost of the cart should, in ordinary times, be about 40 rupees. This cart was tried over very rough ground near Peshawar, and with six maunds load, and was considered well adapted for transport purposes.

Addis' cart.

218. Mr. Addis, C.E., Municipal Engineer in Burma, has paid great attention to improvements in carts. He thus describes his improvements:—

" The invention has for its object, improvements in carts, parts of which " improvements are applicable to other vehicles.

" For this purpose, I form the bottom or platform of the cart of an open " framework, below which is formed a box, as is usual in some descriptions of " carts. This box is, as heretofore, formed of wood, connected together by " suitable angle irons. The sides of the cart are formed of an open framework, " by preference of wood, dropped into suitable recesses in the platform or bottom " of the cart, or connected thereto in any suitable manner.

" The cover or top of the box is formed by the platform or bottom of the " cart into recesses, in which are fitted suitable panels or boards, which are " capable of easy insertion and removal therefrom.

" The wheels are formed of open segments of iron or steel, which, when bolted " together, form a kind of skeleton wheel, to the periphery of which the wooden " felloe and iron or steel tyre are bolted.

" The space into which the nave is fitted is hexagonal in form, and the nave " is of wood, through the centre of which is passed a short axle, which is square " at the central portion, and is turned at the parts projecting from the nave, so " as to fit into suitable collars or plummer blocks fixed to the platform or bottom " of the cart.

" The axle is fixed in the nave by means of a key passing through both nave " and axle, and secured in position by means of gibs and keys, or other suitable " means. The spokes, felloe, and tyre of the wheels are flush with each other, " and I prefer to form the open segments of ordinary tyre iron.

" The wheels pass through, and are enclosed by, parts of the open frame- " work forming the bottom or platform of the cart, which project beyond the " sides thereof.

" The cart is provided with a suitable pole and yokes when required " to be drawn by oxen, or shafts may be fixed thereto if desired, and the pole " or shafts are arranged to be received and fixed in suitable sockets by means " of pins passed there through, or in other suitable manner, and I apply such

"sockets at both ends of the cart, so that the pole or shafts may be fixed at "either end."

219. Mr. Addis has been working at this subject since 1868. These carts have been tried by the Commissariat Department, Bombay, and approved; this "patent Commissariat cart," with shafts for horse or mule, was priced at 150 rupees at the Tanna Iron Works, Bombay. I have made enquiries regarding these carts, and recommend a consideration and trial of them.

Major Heyland's cart.

220. Major Heyland (Brigade Major, Bombay Presidency) recommended to the Army Organisation Commission "a light bamboo platform cart" to be drawn by men or by small ponies and mules, about 12 feet 2 inches in height, or even by good country donkeys; the platform of these carts to be of coir rope, string or tape; and available as a litter for hand carrying when separated from axle and wheels. He stated that it would only cost 16 rupees, and claimed for the cart of this kind, speed, simplicity of construction and harness. It had, he stated, been tested on good roads. This cart was not tried on field service, but, as I have mentioned, it formed a guide in the manufacture of the bamboo pony carts made up at the Gun Carriage Factory, Fattehgarh. I fear that this, and similar patterns, are too slight for any heavy military loads and for very rough work over bad roads and tracks.

Messrs. Bradley & Co.'s carts.

221. A light cart for single mule or pony draught has been made by Messrs. Bradley and Company of Allahabad, on a design furnished by Major Waterfield, Executive Commissariat Officer, Allahabad, for regimental transport purposes:—

Height of wheels	3′	7″
Outside track of wheels	4′	6″
Width of tire	0	2½″
Width of bottom of cart inside	3′	2″
Length	5′	0
Height of side of cart	0	10″
„ of lower transom above axle	0	10″

The body of the cart is supported by solid wooden blocks on each side, each of which consists of two pieces, four and three inches thick, respectively; and is steadied by two iron diagonal stays from each block to centre of under flooring. The body of the cart is made of sál, and the battens of good seasoned mango, or sál if preferred, the whole bound together with strong iron bands and screws, shafts and wheels of iron and wood.

Total weight empty with wooden wheels	4 mds.	11	seers.
„ „ with strong "T" iron wheels	6 „	11	„
Carrying capacity up to	20 „		
Price with wooden wheels	*Rs.*	95	
„ „ iron „	„	110	

This cart has been stated to be very good, but it has been recommended that the wheel track should be reduced; that the weight of the sides should be increased; and the arrangement of the splinter bar should be such as to admit of a second animal being hooked in; and that light props, fore and aft, and a drag should be added.

222. Major Waterfield states that the cart is light and strong, capable of carrying all kinds of stores or baggage, including tents, and suitable to hill roads; and that it can be drawn by horse, mule, pony, or bullocks, and either by a pair or by a single animal.

Wagons and carts used in the home service.

223. Having thus described the patterns in use, or brought to notice during the campaign of 1879-80, I desire to say a few words about the carts or wagons which are used in the home service. Descriptions of the transport carriages used in the home service are contained in the authorised text-books on the subject, and need not be repeated here.

General service wagon and carts.

224. The general service wagon is not adapted for ordinary Indian service, but the various English military carts, spring cart, general service cart, and trench cart, should certainly be considered in dealing with designs for the best military carts for Indian service.

225. Sir

225. Sir Garnet Wolseley states that in the Red River Expedition he employed a wagon similar to that used all over Western Canada. This wagon was used over bad roads with two horses, and carried from 1,600 to 1,900 lbs.

Red River Expedition wagon.

226. In the war in New Zealand, two-wheeled carts were used, with one horse in the shafts, and a second horse leading.

New Zealand carts.

227. In the American civil war, pack transport was gradually abandoned, and long wagons used, drawn by six horses or mules, and driven by one man.

American wagons.

Colonel Macbean, Deputy Commissary-General, thus describes the American or Canadian farmer's wagon: "There is little more of it than a pole, a fore-axle, and good turning gear; two upright posts, wheels about three feet. Again, a triple-pole fastened to the fore wagon by an iron pin, four feet wheels, axle, and two upright posts, a skeleton, but with a pair or two of bars and rope, capable of carrying anything, made mostly of hickory."

228. The American army wagon is well spoken of; and as the conditions, viz., use of ponies or mules, hilly and bad roads, are not very dissimilar to the conditions under which army transport in this country must work; as Australia and New Zealand have followed in the same lead as the Americans, it is desirable to draw promiment attention to the vehicles used in America.

229. The patterns used in the transport service of foreign armies should not be overlooked. Some of them are light and strong. The Germans have good patterns; and in Algeria, the French appear to have had an excellent light, strong two-wheeled carriage invented expressly for ambulance purposes. It is called, after the inventor, "la voiture Maçon."

Foreign army transport carriages.

230. It is now only necessary for me to say, in conclusion of this division of the subject, that I think it will be advisable for the present to confine our attention to obtaining the best pattern of military cart as follows:—

General recommendations.

(1.) A light cart for one mule or pony, especially for the transport of regimental equipments, small-arm ammunition, &c.

(2.) A heavier cart for two mules, or ponies, or bullocks, capable of taking all kinds of loads, as tents, &c.

231. I do not underestimate the value of four-wheeled wagons, if we can obtain them light enough, and strong enough. Their introduction to form a proportion of general army transport would be desirable, because they would greatly tend to economy. A light wagon with four mules or ponies should carry 1,600 to 2,000 lbs.; but we *first* want to secure the two kinds of carts alluded to above.

232. The essential qualities of transport carriages are capacity and strength; stability under circumstances of rough ground; lightness of draught and fair mobility; fair durability; facility of repair; and capability of being taken to pieces and transported by rail or ships. It is, of course, essential that the materials should be easily obtainable, and that carts for military transport should be comparatively inexpensive. A light two-wheeled cart of good bamboos, and wrought-iron connections, with good wheels, to combine lightness and strength, would perhaps fulfil the conditions for the first kind, while an improved Maltese cart might fulfil the conditions for the second kind. It would, however, be unwise to decide at this moment, even if it were possible, on the particular kinds of cart to be adopted.

Qualities of transport carriages.

233. The question of the best cart for military purposes has lately been considered in the Madras Presidency by a committee.* I learn that this was considered in the Civil Department, that a report has been prepared, and civil officers of districts communicated with, but the final report has not yet reached me.

Necessity for one central and uniform system of dealing with this question.

* Colonel Prendergast, V.C., C.B., R.E. - - - - - - *President.*
Colonel Kerrich, R.A., Superintendent, Gun Carriage Factory - } *Members.*
A Civil or Military Officer - - - - - - - - }

me. The cart question has also been considered in the Bombay Presidency. I deprecate, however, local dealing with the question. I am quite aware that the experience of local committees is most valuable, but the question is one affecting army transport throughout India, and must be considered as a whole by the central authority, directing local committees, composed of experts and officers of local knowledge, to certain issues. I recommend the following course being followed:—

All the reports on carts should be carefully considered and collated in the office of the Director of Supply and Transport, not neglecting English, American, and Continental experience; drawings and specifications and models prepared of those considered the most suitable. The permanent Transport Committee (see paragraph 89) should lay down the principles to guide construction and the objects to be attained, and advise on the question, assisted by reference to local committees of experts. Their reports should be considered, and the patterns recommended should be made up at the Gun Carriage Factory, Bengal, the Madras and Bombay Superintendents of Gun Carriage Factories being asked for their technical advice. These patterns should be well tried in various parts of India, on the frontier roads, and on the Bolan line to Quetta, which is reported as at present scarcely fit for wheeled traffic.

Harness.

234. In a similar way, transport harness should be designed and tried. This also should be very simple, strong, easily repaired, and capable of being made up in all parts of India.

Distribution of carts, harness, and materials for repair.

235. I have already detailed (paragraph 92) the number of carts I recommend should be kept up for regimental and army transport. The distribution of carts, harness, and materials will be made accordingly. When the patterns have been decided on, then I should recommend that all main workshops in the country, whether Ordnance or Public Works, should have working drawings and specifications; that a certain quantity of the ironwork should be made up and kept in stock in arsenals, so that whenever it is desired to increase the number of these carts, this can be carried out with ease, rapidity, and economy.

3. *Equipment of Army Transport Corps* { (1.) *Uniform, &c.* (2.) *Arms.* (3.) *Personal Equipment.*

Uniform for Army Transport Corps.

236. (1.) *Uniform.*—It is essential that the Army Transport Corps should have a uniform. The colour should, in my opinion, be "khaki" (dust colour). It should consist of a cloth blouse or Norfolk jacket, "pyjamas" or knickerbockers, "putties" or leg bandages, and a turban.

The summer suit should be of khaki "drill." For very cold climates the cloth should be lined with stout flannel. As some of the transport depôts in India will be in comparatively warm climates, I would recommend that in such cases the cloth suit should not be issued, but sealed patterns kept in the depôts, so that it may be made up locally whenever the transport divisions are ordered for service to a colder climate. On the shoulder straps the letters A. T. C. should be worked. Patterns of great-coats or wadded overcoats, blankets, waterproof sheets, socks, and shoes or boots, should be settled on, and kept at every transport depôt, so that it might be known exactly what was required for service in severe climates, how and where these articles could be made up or obtained, and what would be the weights for carriage.

Uniform for officers of the Army Transport Corps.

237. The officers of the transport service would wear the uniform of the Commissariat and Transport Staff, but they should have a working or service dress of khaki, with shoulder straps, with the letters A. T. C. in gold.

Arming of Transport establishment.

238. (2.) *Arms.*—The arming of Indian followers has been a vexed question. Some maintain, and with reason, that it is useless arming the mass of followers, as they do not know how to use their arms. Others say, that a little training will teach the men to use their arms in self-defence against the attacks of marauders. The Government of India and the Commander in Chief have lately approved the issue to 10 per cent. of *picked* men

men of dooly bearers, syces, bhisties, and transport attendants, of "a good native tulwar in wood and leather scabbard, worn in a buff leather shoulder belt;" the remaining 90 per cent. to carry a stout hatchet or axe. It appears to me that while it may be perfectly correct to say that it is useless to put arms into the hands of a herd of unskilled and untrained followers, it is equally correct to advise the efficient arming of trained and drilled transport drivers.

I would, therefore, advise the arming of the non-commissioned officers and men of the Army Transport Corps with pistols and good sword-bayonets, or "kukries," that the havildars and naiks should be armed with carbines and sword-bayonets, and that the European warrant and non-commissioned officers should be armed with sword and revolver.

Advantages of arming transport drivers.

239. In the event of war, time might not be available to drill and train all the men brought in to raise the transport divisions to a war strength; but much could be done in a short time, and even if only a portion were armed, the advantage would be immense on convoy work, in giving confidence to the men, and enabling them to protect themselves and their convoys, against the attack of bands of marauders; whilst the indirect advantage of accustoming the men maintained in peace time to the use of these arms, and the moral effect of their considering themselves as soldiers as well as transport drivers, are not to be disregarded.

Personal equipment for Army Transport Corps.

240. (3.) *Personal Equipment.*—The belts for the Army Transport Corps should be of brown leather; and each man should be furnished with a water bottle and havresack. Officers of the Army Transport Corps should, with their working uniform, wear the "Sam Browne" belt, and be provided with the approved pattern of water-bottle and havresack, the new pattern staff saddle, and saddle-bags, &c. Such details must, of course, be gone into by an experienced committee, but I have thought it well to allude to them, because, unless these matters are settled beforehand, valuable time is wasted, on the occurrence of any emergency, in corresponding with some distant authority.

Medical appliances to be supplied to the Transport Corps.

241. In the veterinary establishment of a transport division, it is very necessary that the native vet, or "salootrie," should be furnished with a box fitted with tin canisters, and bottles for simple medicines, with the necessary instruments. All transport officers on detached duty, when the hospital establishment cannot accompany them, should have portable medicine boxes, with simple instructions for the use of the contents.

Tents.

242. In regard to tents, the officers must follow the pattern decided on for the Army generally. I would, however, recommend for consideration the necessity—

(1) for waterproof saddle covers for the pack-saddles;

(2) for some kind of the lightest shelter tent for the men.

This may be got by having spare waterproof sheets and sticks, by which men can easily create some kind of shelter. A small shelter tent of single drill to hold five men, which weighs 22 lbs., and cost 17 rupees to 18 rupees, was designed by Brigadier General Macpherson, V.C., C.B., and has been strongly recommended for regimental followers. Both for regimental and army transport, it is necessary that they should have some kind of shelter after their hard day's work. It means a saving in men's lives, and increased efficiency. While on this subject, I would strongly recommend the Army Transport Corps being taught to make temporary shelter of the various materials which may be available in the various parts of India, and in countries where Indian transport may have to be employed.

General remarks on loads and equipments generally.

243. I have, at paragraph 154, called attention to the vital importance of good loading. This art of loading is only to be acquired by careful training, whether natural or artificial. But this leads up to the general question of the nature of loads, and the scales of tentage, baggage, and equipment generally. This is much too extensive a subject for me to treat of, in any detail, in this Memorandum. I cannot, however, refrain from calling attention to the extreme importance of this subject, and from expressing a hope that it may be taken up vigorously by

committees of experts, directed by a central authority, understanding the wide application of the subject, and capable of directing these committees in the right path, not merely by taking some local or temporary experience of war, but of investigating the various conditions in which an Indian army may be placed; and applying the experience gained in many campaigns in India and elsewhere. Various attempts have been made, but with very incomplete results, to lay down scales of equipments for various services. It cannot be doubted that there is a great deficiency in these matters, and that this absence of information affects army transport most prejudicially.

Scales of equipments for various services to be decided.

244. In 1865, I see it was stated in an official paper, that "it would be advantageous if the amount of carriage to be allowed to the different branches of the Army could be defined by His Excellency the Commander in Chief. It is believed that this was at one time under consideration in the Military Department." The Army Organisation Commission of 1879 in the course of their inquiries into the subject of transport, asked a large number of general, staff, regimental, and commissariat officers as to the amount of carriage necessary in the plains of India, for the various units, baggage, camp equipage, ammunition, cooking utensils, and entrenching tools, according to existing regulations for field service. The question was precisely framed, but the answers were extraordinarily varying; and the discrepancies were, in many cases, only to be accounted for by the supposition, that either no clear regulations existed, or that the officers were not acquainted with them.

245. The "Kabul" scale requires revision, and has only a particular application. Scales for camp equipment, baggage, entrenching tools, cooking utensils, and *patterns of all field equipments and camp requisites*, require to be very carefully laid down for Indian service, and for service outside India.

246. The baggage of an Indian army is susceptible of great reduction without detriment to health, and with a real increase to comfort as well as efficiency. It would be quite possible to fix one maximum scale, *e.g.*, for hot weather campaigning; and then certain reduced scales, with additions or substitutions, for service in colder climates.

247. For good loading, the packages must be *symmetrical* and adapted to the mode of carriage. This is a most important, but often neglected detail. Not only tents, but all baggage, both of officers and men, ammunition, engineer, ordnance, medical stores and equipments, supplies, and cooking utensils, must be symmetrical in weight, and should be arranged so as to form, if possible, one package of 1 maund (= 80 lbs. weight), so that two such packages may be carried by a pack-animal, and four by a camel. On the south-east and Burma frontiers these packages should be arranged for half-maunds. It is also most desirable that we should take a lesson from the local camel carriers in Afghanistan (the Kuchis), who tie their packages together on the ground, and so need not load till the last moment.

Uniformity in shape and weight of packages to be maintained.

248. One of the great desiderata of a load is, that it may be easily put on and taken off, so that the animal may not be loaded till the last moment, and that it may be relieved when possible. Nothing kills transport animals quicker than the standing for hours under loads.

249. Various committees have, I believe, assembled to report on scales of equipment, but from one cause or other no authoritative decision has been arrived at. Sir F. Roberts convened a Committee at Kabul, of which Colonel Macgregor, C.B., Chief of the Staff, was President, to take suggestions and record opinions regarding packing transport animals, equipments, kit, dress, &c. of officers and men of the several branches of the service. The opinions of this Committee will be most valuable. I would recommend, however, that the subject be taken up by a central committee at army head-quarters, as suggested in paragraph 243; that this committee should lay down the principles and objects of the investigation, and consider what has been done in the past; invite suggestions, and receive patterns; convene local committees of experienced and expert officers; obtain information regarding British and Continental

nental experience on points which are not peculiar to India; and after a review of the evidence come to a decision on the various points. When once settled, the scales should be rigidly adhered to; and officers and men instructed in the knowledge and application of the regulations.

SECTION VII.

Utilisation of Transport in Government Work.

Regimental and army transport to be utilised for all Government purposes.

250. The utilisation of regimental and army transport in Government work is a wide subject, and must be dealt with in detail hereafter. The Army Organisation Commission (India) of 1879 laid some stress on the necessity for employing army transport, at all times, and even hiring it out, in the following paragraph (431):—

"A part of the reserve carriage at each centre would be kept available for "the moveable column, and would, as far as possible, be placed in regimental "charge, subject to the supervision of the local Commissariat officer and his "transport assistant The rest would be sent on detachment, under native "officers or non-commissioned officers, for Government work at neighbouring "stations; would be used for flying on hill or other roads; or would be let on "hire to the postal or other departments. For instance, mules from the nearest "reserve centres would be detached to the hill station of Ranikhet, Chakrata, "the Simla and Murree hills, for the work of carrying water to barracks. "Mule-carts from the reserve would undertake the postal parcel* service on "all the hill roads, and would be let out to municipal and local bodies, and to "the Public Works Department, at such rates as the Commissariat officers "might settle. All Government stores should, when possible, be carried by the "reserve transport. Ambulances would be detached to stations where carts for "carrying invalids to the hospitals are required; while ambulance mules could "work in cart trains, the ambulances being kept in store at the reserve centre. "Reserve camels would be let out to carry grain or other merchandise on "neighbouring traffic routes. Dooly bearers would all be employed in pulling "punkahs, as hospital attendants, or on other station work at reserve centres, or "at neighbouring garrison towns."

Regimental transport to be employed on general duties.

251. Under my proposals, a large number of corps constituting the moveable brigades on, or in support of, the frontiers (*see* paragraph 59) will be provided with full regimental transport. At some of the stations where these troops are cantoned, light carts can be usefully employed in the regimental transport, the mules or ponies being trained both to pack and draught. All regimental transport can be employed in regimental and cantonment work, and where possible, it should be utilised, with proper precautions, in the work of any Government department under the orders of the officer commanding the station.

252. Local committees would have to settle all details. The first kind of work would be, of course, regimental work, then military station work, and for army departments, commissariat, &c. If it were found that regimental carts could be usefully employed by civil departments and they are available, it would only be necessary to fix the rates, and arrange that one day at least in the week should be set aside for regimental parade and instruction (just as in England a company of Royal Engineers on works has one day's drill).

Utilisation of general army transport for Government purposes.

253. The general army transport at the 15 depôts should also be employed whenever possible; due regard being had to the military training and efficiency of the corps. If all the men of the cooly corps at the transport depôt of Shillong cannot be usefully employed there, or near that station, then it might be advisable to employ some of them in Calcutta in the Commissariat Department.

254. The transport of stores by road, now costing a large sum, might in part be done by the Army Transport Corps; while, with good arrangements, the hire of carriage for reliefs may be considerably diminished. I have not, however, taken credit for any saving in these respects.

255. If any action is taken in regard to the reduction or abolition of grass-cutters for British mounted corps in India, the army transport carts may well be used to bring in grass from Government preserves, or from contractors, in the neighbourhood. Stores can be carried to out-stations, which are not on the rail, by army transport carts. The military stations in the Simla hills, and from Saharunpore to Chakrata and Landour, would afford good practice for the transport depôt at Meerut. The regimental mules of regiments on the hills would be used for water purposes, and those of the Army Transport Corps could bs similarly used; their places being supplied by hired animals when withdrawn to the plains, or to the depôt for training.

Advantages of employing transport carriage on station work.

256. There is no doubt also that a very considerable improvement may be effected by the employment of regimental and army transport carts in station work. Bullocks could be used for very heavy work, and for drawing the present heavy cantonment "sick cart" or ambulance. But bullocks are available for such purposes, and for work unsuited to mules, from those maintained for the second line of wagons of batteries, and for siege trains.

Utilisation of transport carriage in the Postal Department and in municipalities.

257. The Army Organisation Commission instituted inquiries as to the number of carts which could be employed by the Postal Department and municipalities. It appears that 1,022 two-wheeled bullock carts and shigrams and 114 four-wheeled wagons were then employed on the Punjab lines; but this number has been diminished by the extension of the railway from Jhelum to Peshawar, &c. In Bengal, Bombay, North-Western Provinces and Oudh, Central Provinces, and part of the Punjab, mails and goods are conveyed under contract. The idea was, that army transport would be employed on suitable Post Office work, carrying parcels and goods, and hired carriage obtained when it had to be withdrawn. The Director General of the Post Offices of India thought "there would be no difficulty in carrying out the suggestion, so far as "the small and rapidly decreasing establishment maintained by the Post Office "is concerned;" and he did not think "there would be any loss to the Post "Office from the substitution of locally hired bullock carriage for the new carts "and cattle. There would be delay in transit, and consequent inconvenience, "but no material loss."

Employment of transport by municipalities.

258. The replies from local governments and administrations regarding the possible employment of reserve transport carts by municipalities, are not encouraging. For the present, I think, the regimental and army transport will have enough to do, if they perform all, or nearly all, Government work that has been done by hired carts and animals, and assist in the transport of stores by road, and in the carriage of troops when marching in relief. Hereafter, when the new system is firmly established, I trust that those watching over and fostering its development may turn their attention to the subject of the employment of army transport in time of peace by municipalities and others.

Famine work.

259. In the Bengal famine of 1874, it was desired to purchase and hire 10,000 mules and ponies; 6,653 animals were actually purchased up to the 6th August 1874. But on the conclusion of the operations, the great majority were sold off. I think it cannot be doubted that the power of concentrating by rail, in any part of India, a large amount of pack and cart transport will be of very material assistance to a Government engaged in the transportation of food-grains, &c., under circumstances of great scarcity or famine.

260. Much time and labour will be involved in obtaining an accurate account for every military station in India of the quantity of Government and hired carriage employed in both military and civil work, and in settling what is the *real* amount of transport work to be done on behalf of the Government in all

all departments, whether military or civil. This can only be done by local committees and officers directed from a centre on one uniform plan, and acting on uniform principles.

Difficulty in obtaining correct information regarding the numbers of Government carts in use.

261. I have not been able to obtain this information even for the Army departments from the various returns of Commissariat cattle employed. Thus, no carts are shown as employed on the authorised establishment of the three Presidencies. But, from other inquiries I have made (merely as an example) of the various departments in the Presidency cities, I find that at and around Calcutta there are 350 Government carts employed in various Army Departments; 183 in Madras; and 54 in Bombay, not including the Public Works Department, Telegraph Department, &c.

262. In all these places, an abundance of hired carriage is obtainable generally, and it appears to me, therefore, that all carts which are Government, and now in military work, other than conservancy, should belong to the Army Transport Corps, and that these carts should be available on emergency in any direction, and their places taken temporarily by hired carriage.

263. Before concluding these brief remarks on the utilisation of transport in Government work, a very important question, I desire to urge upon the Government of India the absolute necessity of impressing all military and civil authorities with a due regard for the interests of the State as a whole. Departments, whether civil or military, must not be allowed to treat these questions which affect the efficiency of the Army, and economy in the expenditure of public money, as questions to be fought out between "departments," and to be met with ingenious obstacles for delay, or actual negation of the proposed measures; but they must be urged to keep in view the good of the State as a whole. It is in this spirit the Army Commission appears to have addressed the Post Office in India on the subject of employing army transport, and in that spirit the head of the Post Office replied to the Commission.

SECTION VIII.

Cost of Present Arrangements and Proposed Organisation.

Cost of Present Arrangements.

Cost of present arrangements for carriage,

264. I have now to state the cost of the present arrangements for the provision of carriage, which is, it must be understood, entirely unorganised for the Army in India; and the cost of the organised transport service proposed in Section III.

265. First as to the cost of the present arrangements. The Army Organisation Commission (India) of 1879 state (paragraph 515) that the yearly cost is as follows:—

	Rs.
Bengal Army—Moveable column and station carriage - - - - - - - - -	23,06,175
Madras Army - - - - - - - -	7,15,052
Bombay Army - - - - - - - -	5,41,609
Punjab Frontier Force—Regimental carriage -	85,000
Total - - -	36,47,836
Add for additional cost, Punjab Frontier Force	39,050
Grand Total - - -	36,86,886

* This amount, as more recently represented by the Controller of Military Accounts, is 1,24,050 rupees, which will cause an increase to the total by 39,050 rupees.

266. I have ascertained that this information was grounded on very careful data, and that the computations were specially made for the Commission.

267. From this total 36,86,886 rupees, as given by the Army Organisation Commission, I have to deduct the following amounts for the cost of sick carriage, and for artillery and siege train bullocks, which, as stated at paragraph 105, have not been dealt with in this paper:—

	Rs.
(1) Cost of sick carriage - - - - - -	4,81,212
(2) Cost of bullocks for the second line of wagons and for siege trains - - - - - -	4,41,145
Total - - -	9,22,357

I have to add the following, which were not taken into consideration by the Army Commission, but which I have obtained from statements prepared by the Controllers of Military Accounts of the three Presidencies:—

	Rs.
(1) Cost of supervising establishments attached to Government cattle - - - - - -	53,442
(2) Compensation to cattle attendants for dearness of provisions - - - - - - - -	†73,272
(3) Cost of cattle gear - - - - - - -	1,03,955
Total - - -	2,30,669

36,86,886—9,22,357+2,30,669=29,95,198.

This amount will now admit of comparison with the cost of the proposed Transport Organisation.

Cost of Proposed Organisation.

Details on which the cost of proposed arrangements calculated.

268. In regard to the cost of the proposed organisation, it is necessary to say that, although the details have been calculated as completely and as liberally as possible, time does not admit of my entering into all the minutiæ, and that these calculations must only be regarded in the light of an approximate estimate. The pay of the "regimental establishments" has been assumed as sanctioned for the late war. The pay of the Army Transport Corps, native non-commissioned officers and drivers, has been taken as for similar classes in mountain batteries.

269. The pay of officers and warrant officers to form the Transport sub-department of the "Commissariat and Transport Department" has been taken at the existing rates laid down for the Commissariat Department in India. I have not entered the cost of carts to be kept up, because there are already a large number in possession, and the provision of others will be met to a great extent by the sale of elephants.

† This amount has been obtained by taking the number of cattle attendants, and allowing 12 rupees per annum per man.

Regimental Transport.

I.—*Establishments.*

	Per Mensem.	Per Annum.
	Rs. a. p.	*Rs. a. p.*
Full Regimental Transport (*see* paras. 73–83). Regimental Establishments.		
3 Regimental transport officers - - Rs. 3×30 =	90 – –	1,080 – –
3 Non-commissioned officers - - As. 3×8×30=	45 – –	540 – –
6 Privates - - - - - 6×6×30=	67 8 –	810 – –
6 Non-commissioned officers - - 6×8×30=	90 – –	1,080 – –
4 Native „ „ - - 4×2×30=	15 – –	180 – –
21 Native „ „ - - 21×4×30=	157 8 –	1,890 – –
3 „ „ „ - - 3×2×30=	11 4 –	135 – –
	476 4 –	5,715 – –
Army Transport Corps Establishment for 7,881 mules, say 8,000 (see para. 73).		
80 Havildars - - - - - - 80×14=	1,120 – –	13,440 – –
320 Naiks - - - - - - 320×12=	3,840 – –	46,080 – –
2,666 Drivers - - - - - - 2,666× 7=	18,662 – –	2,23,944 – –
80 Native saddlers - - - - 80× 7=	560 – –	6,720 – –
80 „ shoeing smiths - - - 83× 9=	720 – –	8,640 – –
	24,902 – –	2,98,824 – –
Reduced Regimental Transport (see paras. 75–78 and para. 84).		
For 1,256 mules (see para 78)—		
Privates. As.		
47 × 2×30 = - - - - - -	176 4 –	2,115 – –
110 × 2×30 = - - - - - -	412 8 –	4,950 – –
Drivers at 1 per company mule.		
1,256 ×7= - - - - - - - -	8,792 – –	1,05,504 – –
	9,380 12 –	1,12,569 – –
Total for Establishments - -	34,759 – –	4,17,108 – –
Add for compensation for dearness of provisions - - - - - -	4,082 – –	48,984 – –
Grand Total for Establishments, Regimental Transport - - - -	38,841 – –	4,66,092 – –

II.—*Pensions.*

Rate of pensions recommended for men of the Army Transport Corps.

270. I do not propose that the pensions given at present to the Army should be granted to men of the Army Transport Corps. High authorities have recommended the revision of these pensions, and I see no reason for endeavouring to extend a system which has been practically condemned; nor why military pensions need be given for ordinary peace service in the Transport. I propose, therefore, that the gratuities and pensions as allowed to followers by the Civil Pension Code should be given, provision being made for injuries, wounds, and disease contracted on service.

271. According to the calculations made in the Financial Department (*vide* Civil Pension Code, Chapter XII, Section 76, and Chapter XXII, Section 281), the pension I propose for the Army Transport Corps will add 6¼ per cent. to the cost of pay.

272. The pay, exclusive of warrant officers, non-commissioned officers, and soldiers employed in regimental transport, amounts to 4,11,393 rupees per annum, and the annual charge for pensions will, therefore, be 25,712 rupees.

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III.—*Clothing.*

Clothing for Army Transport Corps.

Cost of clothing.

273. The cost of the clothing for the men of the Army Transport Corps should not exceed the cost of the regular clothing for Native infantry. This cost is annually *Rs.* 4. 9. 9 in the Bengal Presidency; *Rs.* 4. 13. 3. in the Madras Presidency; and *Rs.* 5. 5. 3. in the Bombay Presidency. The average may be taken as *Rs.* 4. 14. 9. or, including the extra cost of non-commissioned officers' clothing, say 5 rupees.

274. The number to be provided for is:

400 Native non-commissioned officers.
2,666 Drivers, No. I. Class Regimental Transport.
160 Artificers „ I. „ „ „
1,256 Drivers „ II. „ „ „

4,482 + 5 = *Rs.* 22,410.

IV.—*Feeding of Mules.*

No. I.—Full Regimental Transport.

No. II.—Reduced Regimental Transport.

Full - - -	7,881	(see paragraph 73).
Reduced - -	1,256	(„ „ 78).
Total - -	9.137	

Average cost of feeding of Mules in the three Presidencies.

275. In the Rawal Pindi and Peshawar Moveable Columns the cost is 70 rupees per annum. In the Madras Presidency the cost is greater. At Secunderabad, for example, it is given at *Rs.* 7. 11. 4. per mensem. In the Bombay Presidency, the cost varies for different stations; at Poona, it is *Rs.* 6. 8. per mensem. On the other hand, the greater number of mules will be stationed in the Bengal Presidency, and I think that, with economical arrangements, 80 rupees per annum will be a fair average all round.

Rs. *Rs.*
9,137 × 80 = 7,30,960.

V.—*Cost of Pack-saddles and Gear.*

Cost of renewals of pack-saddles.

276. Each "ordnance transport pack-saddle" costs 27 rupees, made at the Harness and Saddlery Factory, Cawnpore; 9,137 saddles will be used with the regimental transport alone. These will last 10 years; therefore the annual charge for renewal will, at 10 per cent., be 24,670 rupees.

277. I have now about 10,000 saddles of this pattern in the service, and the balance required both for the regimental and general army transport can for the present be made up by the issue of the Bengal Commissariat pads, of which there are considerable numbers available.

VI.—*Cost of replacement of Mules.*

278. The average cost of a baggage mule, at a liberal valuation, may be set down at 100 rupees, and the period during which it may be serviceable 10 years, although many work much longer. The replacement at 10 per cent. in 9,137 mules will, therefore, cost 91,370 rupees per annum.

General Army Transport.

Establishment of Depôts and Establishments.

279. There will be 13 depôts (*see* paragraph 88) with two divisions of mules of 250 each; two depôts (Shillong and Rangoon) with one mule division of 250. This gives a total of 7,000 mules. There will also be two Cooly corps of 200 each.

I.—*Establishments.*

(1.)—Officers.

280. The cost of establishments in time of peace will be as under:—

Director of Supply and Transport.

The expenditure for the Office of the Director of Supply and Transport may be estimated as follows: the pay of the Director being taken at the same rate as that of the Commissary-General, Bengal, viz., 2,500 rupees per mensem consolidated. The pay of the assistant may be estimated at 500 rupees per mensem staff pay, in addition to the staff corps pay of rank, or a total (assuming rank of captain) of *Rs.* 874. 1. 6. The estimated expenditure would be—

	Per Annum.		
	Rs.	*a.*	*p.*
Director - - - - - - - - -	30,000	–	–
Assistant - - - - - - - - -	10,489	2	–
Office, including house-rent, &c. - - - -	25,000	–	–
TOTAL - - -	65,489	2	–

As regards the officers (*see* paragraph 128) to be added to the Commissariat Departments, and to form the Transport staff of the Commissariat and Transport Department, the total annual cost, as shown in the statement below, will be 2,92,407 rupees:—

	Per Mensem.			Per Annum.		
BENGAL.	*Rs.*	*a.*	*p.*	*Rs.*	*a.*	*p.*
1 Deputy Commissary-General (Lieutenant-Colonel) -	1,827	14	–	21,934	8	–
1 Assistant Commissary-General, 1st Class (Major) -	1,440	14	–	17,290	8	–
2 „ „ „ 2nd „ „ - -	2,481	12	–	29,781	–	–
2 Deputy Assistant Commissaries-General, 1st Class (Captain) - - - - - - - - -	1,748	3	–	20,978	4	–
2 Deputy Assistant Commissaries-General, 2nd Class (Captain) - - - - - - - - -	1,548	3	–	18,578	4	–
4 Sub Assistant Commissaries-General, 1st Class (Lieutenant) - - - - - - - - - -	2,103	–	–	25,236	–	–
4 Sub-Assistant Commissaries-General, 2nd Class (Lieutenant) - - - - - - - - - -	1,703	–	–	20,436	–	–
Total Cost - - -	12,852	14	–	1,54,234	8	–
MADRAS.						
1 Assistant Commissary-General, 1st Class (Major) -	1,440	14	–	17,290	8	–
1 „ „ „ 2nd „ - - -	1,240	14	–	14,890	8	–
1 Deputy Assistant Commissary-General, 1st Class (Captain) - - - - - - - - -	874	1	6	10,489	2	–
1 Deputy Assistant Commissary-General, 2nd Class (Captain) - - - - - - - - -	774	1	6	9,289	2	–
2 Sub-Assistant Commissaries-General, 1st Class (Lieutenant) - - - - - - - - -	1,051	8	–	12,618	–	–
2 Sub-Assistant Commissaries-General, 2nd Class (Lieutenant) - - - - - - - - -	851	8	–	10,218	–	–
Total Cost - - -	6,232	15	–	74,795	4	–
BOMBAY.						
1 Assistant Commissary General, 1st Class - - -	1,440	14	–	17,290	8	–
1 „ „ „ 2nd „ - - -	1,240	14	–	14,890	8	–
1 Deputy Assistant Commissary-General, 1st Class -	874	1	6	10,489	2	–
1 „ „ „ „ 2nd „ -	774	1	6	9,289	2	–
1 Sub-Assistant Commissary-General, 1st Class - -	525	12	–	6,309	–	–
1 „ „ „ 2nd „ - -	425	12	–	5,109	–	–
Total Cost - - -	5,281	7	–	63,377	4	–
GRAND TOTAL COST - - -	24,367	4	–	2,92,407	–	–

281. The pay of the 30 additional officers has been calculated as follows :—

	Staff Corps Pay	Staff Corps Pay of Rank.	Total.
	Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*
Deputy Commissary-General - - -	1,000 – –	827 14 –	1,827 14 –
Assistant Commissary-General, 1st Class -	800 – –	640 14 –	1,440 14 –
„ „ „ 2nd „ -	600 – –	640 14 –	1,240 14 –
Deputy Assistant Commissary-General, 1st Class - - - - - - - -	500 – –	374 1 6	874 1 6
Deputy Assistant Commissary-General, 2nd Class - - - - - - - -	400 – –	374 1 6	774 1 6
Sub-Assistant Commissary-General, 1st Class	300 – –	225 12 –	525 12 –
„ „ „ 2nd „ -	200 – –	225 12 –	425 12 –

(2.)—Warrant Officers.

282. The cost of the 30 additional warrant officers will be as follows :—

Cost of Establishment of 30 Warrant Officers for 15 Depôts (*see* para. 130).

		Per Mensem.	Per Annum.
	Rs.	*Rs. a. p.*	*Rs. a. p.*
Bengal.			
1 Deputy Assistant Commissary - - -	at 300*	300 – –	3,600 – –
6 Conductors - - - - - - - -	„ 160	960 – –	11,520 – –
9 Sub-Conductors - - - - - - -	„ 125	1,125 – –	13,500 – –
Total - - -		2,385 – –	28,620 – –
Madras.			
1 Deputy Assistant Commissary - - -	at 300	300 – –	3,600 – –
3 Conductors - - - - - - - -	„ 160	480 – –	5,760 – –
4 Sub-Conductors - - - - - - -	„ 125	500 – –	6,000 – –
Total - - -		1,280 – –	15,360 – –
Bombay.			
1 Deputy Assistant-Commissary - - -	at 300	300 – –	3,600 – –
2 Conductors - - - - - - - -	„ 160	320 – –	3,840 – –
3 Sub-Conductors - - - - - - -	„ 125	375 – –	4,500 – –
Total - - -		995 – –	11,940 – –
Grand Total Cost - - -		4,660 – –	55,920 – –

* Rates of pay are as given for the Commissariat Department.

(3.)—Non-Commissioned Officers and Men.

For 13 Depôts at 2 Mule Divisions each.

Cost of 1 Mule Division. (*See* para. 105).		Per Mensem.	Per Annum.
	Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*
*1 Sergeant	at 62 11 5	62 11 5	752 9 –
5 Havildars	„ 14 – –	70 – –	840 – –
10 Naiks	„ 12 – –	120 – –	1,440 – –
100 Drivers	„ 7 – –	700 – –	8,400 – –
1 Clerk	„ 50 – –	50 – –	600 – –
2 Salootries	„ 14 – –	28 – –	336 – –
5 Native saddlers	„ 7 – –	35 – –	420 – –
5 „ Shoeing-smiths	„ 9 – –	45 – –	540 – –
2 (Mistry) Carpenters	„ 14 – –	28 – –	336 – –
2 „ Blacksmiths	„ 12 – –	24 – –	288 – –
2 Sweepers	„ 5 – –	10 – –	120 – –
	TOTAL	1,172 11 5	14,072 9 –
Cost of 2 mule divisions		2,345 6 10	28,145 2 –
Cost of 26 mule divisions, *i.e.*, 2 at each of the 13 depôts		30,490 8 10	3,65,886 10 –

Colour-Sergeant of Infantry.

* *i.e.*, pay of Commissariat Sergeant = 42-11-5 + 20 staff pay in Commissariat.

(4.)—Establishment for the two Special Depôts at Shillong and Rangoon.

1 Mule Division at each.

Cost of 2 Divisions.		Per Mensem.	Per Annum.
	Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*
2 Sergeants	at 62 11 5	125 6 10	1,505 2 –
10 Havildars	„ 14 – –	140 – –	1,680 – –
20 Naiks	„ 12 – –	240 – –	2,880 – –
200 Drivers	„ 7 – –	1,400 – –	16,800 – –
2 Clerks	„ 50 – –	100 – –	1,200 – –
4 Salootries	„ 14 – –	56 – –	672 – –
10 Native saddlers	„ 7 – –	70 – –	840 – –
10 „ Shoeing-smiths	„ 9 – –	90 – –	1,080 – –
4 Carpenters	„ 14 – –	56 – –	672 – –
4 Blacksmiths	„ 12 – –	48 – –	576 – –
4 Sweepers	„ 5 – –	20 – –	240 – –
	TOTAL	2,345 6 10	28,145 2 –

(5.)—Establishment for two Cooly Divisions at Shillong and Rangoon.

Cost of 1 Division. (*See* para. 107.)	*Rs a. p.*	Per Mensem. *Rs. a. p.*	Per Annum. *Rs. a. p.*
2 Sergeants	at 62 11 5	125 6 10	1,505 2 –
2 Havildars	„ 14 – –	28 – –	336 – –
8 Naiks	„ 12 – –	96 – –	1,152 – –
200 Coolies	„ *8 – –	1,600 – –	19,200 – –
	Total	1,849 6 10	22,193 2 –
Cost of two divisions		3,698 13 8	44,386 4 –
Total cost of establishments		36,534 13 4	4,38,418 – –
Add for compensation for dearness of provisions		3,536 – –	42,432 – –
Grand Total for Establishments		40,070 13 4	4,80,850 – –

II.—*Pensions.*

283. The total pay of the native establishments, less the cost of the European sergeants under (3), (4), and (5), amounts to 4,14,336 rupees per annum, and the cost for pensions, as calculated in paragraph 282, at $6\frac{1}{4}$ per cent., will amount to 25,896 rupees per annum.

III.—*Clothing* (*see* para. 273).

	Estabt. of	1 Divn.	Depôt	*Rs.*	*Rs. a. p.*
For 13 depôts	131	× 2	× 13	× 5	= 17,030 – –
Shillong and Rangoon	131	× 2	×	5	= 1,310 – –
Cooly Corps	210	× 2		5	= 2,100 – –
Total					20,440 – –

IV.—*Feed of Mules of General Army Transport.*

Rs.		*Rs.*
7,000	× 80	= 5,60,000 per annum.

V.—*Cost of Pack-saddles and Gear* (*see* para. 276).

284. For the general army transport 7,000 pack saddles will be required at 27 rupees each, to last 10 years; cost of renewals, at 10 per cent., will therefore be 18,900 rupees per annum.

VI.—*Cost of Replacement of Mules.*

285. The cost of replacements on 7,000 mules, as calculated in paragraph 278, will amount to 70,000 rupees per annum.

VII.—*Elephants.*

286. In Bengal, the average annual cost of feed and keep of an elephant, including attendants, &c., is *Rs.* 624-13.

	Rs. a. p.		*Rs. a. p.*
In Madras	92 7 2	× 12	= 1,109 6 –
In Bombay	87 15 5	× 12	= 1,055 9 –

The average of the three Presidencies is, therefore, *Rs.* 929-14-8
As the establishment will hereafter be only 400—

Rs. a. p.		*Rs. a. p.*
400 × 929 14 8	will represent the annual cost =	3,71,966 10 8

to be added to the cost of the general army transport.

287. The

* At present, the coolies in the small corps on the Eastern Frontier in the Naga Hills receive 12 rupees each in addition to free rations and clothing. In the Cooly Corps for the Duffla and Lushai Expeditions, the monthly pay of 8 rupees was given. The men of the Madras "Dooley Corps" receive 10 rupees each in Burma, but without free rations.

287. The foregoing calculations may now be recapitulated, and it will be seen that the present arrangements for carriage cost 29,95,198 rupees per annum. The proposed organisation costs 33,23,081 rupees. The extra expenditure will, therefore, be 3,27,883 rupees per annum.

Statement showing the cost of present and proposed Arrangements for Carriage in India.

Cost of present arrangements per Annum (*vide* para. 267).	Cost of proposed Arrangements per Annum.	
Rs.	*Regimental Transport.*	*Rs.*
29,95,198	I. Establishments	4,66,092
	II. Pensions	25,712
	III. Clothing	22,410
	IV. Feed of Mules	7,30,960
	V. Cost of pack-saddles	24,670
	VI. Replacement of mules	91,370
	Total cost of regimental transport	13,61,214
	General Army Tranport.	
	I. (1) Director of Supply and Transport	65,489
	I. (1) Officers	2,92,407
	I. (2) Warrant Officers	55,920
	I. (3) Non-commissioned officers and men	3,65,886
	I. (4) Establishments for the two special Depôts at Shillong and Rangoon	28,145
	I. (5) Establishments for two Cooly Divisions for Shillong and Rangoon	44,386
	Add for (3), (4), and (5) for compensation for dearness of provisions	42,432
	II. Pensions	25,896
	III. Clothing	20,440
	IV. Feed of mules	5,60,000
	V. Cost of pack-saddles	18,000
	VI. Replacement of mules	70,000
	Total cost of general army transport	15,89,901
	VII. Add cost of feed and keep of 400 elephants	3,71,966
	Grand total cost of proposed arrangements	33,23,081
	Cost of present arrangements	29,95,198
	Extra expenditure involved	3,27,883

Comparison of cost of present and proposed arrangements.

288. It must be pointed out that, although such items as "renewal of carts," cost of line gear, blankets, harness, and pensions for officers and warrant officers, have been omitted in the cost of the proposed organisation, yet, on the other hand, I have not taken into account, under cost of present arrangements, the item of pensions for the present Government establishments for cattle maintained in the three Presidencies, and the cost of replacement of Government cattle which, as shown above, amounts to, under proposed arrangements, 2,12,978 rupees per annnm. Nor have I taken into account the amount which may be realised by the sale of elephants, and Government camels and bullocks. Further, I have entirely omitted to take into consideration any possible reduction in the two great items of expenditure under the present system, viz.:—

	Rs.
(1) Hire of carriage for troops moving in relief	2,96,941
(2) Transport of stores by road	3,32,288

289. Hereafter, it may be possible to lessen the expenditure by utilisation of the transport for State and other purposes. I have, however, preferred to put aside this, and other possible sources of reduction of expenditure, and to estimate the cost under unfavourable conditions.

290. It is needless to say that the expenditure on the proposed organisation must be carefully watched; but I see no present reason why it should be greater in any appreciable way than the amount I have approximately estimated.

291. It is thus shown that the proposed system with its permanent staff of officers, warrant and non-commissioned officers, with a large amount of regimental transport, with the military organisation of an Army Transport Corps, and a nucleus of transport power to the extent of 16,137 mules, 4,780 military carts, 400 elephants and two Cooly corps, capable of great expansion, will cost 3,27,883 rupees above the present expenditure on arrangements which can hardly be said to be organised at all.

292. In my opinion, the proposed extra expenditure in peace time will be recouped by the greatly lessened cost of transport in future wars or expeditions, as it must be clearly remembered that the present peace outlay is in no way a measure of the cost of army transport; because the vast sums of money the Government of India has had to spend in improvising transport for its wars and expeditions are quite unrepresented in the peace expenditure on this service. Reduction of military expenditure, in other directions, might provide the means for a preparatory organisation which is an absolute necessity, if the army is to be anything more than an inert machine. But if it be decided that no such reduction of expenditure can be made, and that the country cannot support the additional financial load proposed in my scheme, then I would point out, that by a reduction in the number of mules (500), at each transport centre, under general army transport, the cost of the organisation can, if necessary, be brought down to the expenditure on the present arrangements; while the principles, founded on a recognised military and expansible basis, which I have put forward, can still be maintained in their integrity.

293. The numbers, strength, and arrangements I have proposed, are those which suggested themselves to me as being suitable for peace expansible nuclei; and in originally fixing them, I was not guided by any thought of bringing their cost within any defined limit, though I had of course, in view considerations of economy; but it is obvious that, without materially sacrificing the efficiency of the plan, the data on which it is based may be cut down, so as to involve an outlay little, if at all, in excess of that which is now incurred on an arrangement which does not possess the advantages which I venture to claim for the organisation I have suggested.

(signed) *M. K. Kennedy*,
Lieut.-General, R.E.,
Controller-General of Supply and Transport.

— No. 5. —

EXTRACT, Military Despatch from the Secretary of State to the Government of India, No. 328, dated 6th October 1881.

Reply to letter dated 3rd June 1881, No. 208.

WITH reference to the report of Lieutenant General Sir M. Kennedy, on the proposed organisation of an Army Transport Service, my telegram of the 3rd May 1881, informed you of my sanction to the appointment for one year of an officer whom you now state to be Lieutenant Colonel R. C. Low, C.B., 13th Bengal Cavalry, to consider the questions of detail in that report.

I shall be glad to receive, at some future time, the expression of your opinions and recommendations on this matter, as promised in paragraph 3 of your letter under reply.

— No. 6. —

Military Letter from the Government of India to the Secretary of State for India, No. 400, dated 29th October 1881.

My Lord Marquis,

THE Despatches which we have addressed to your Lordship in the course of the present year upon the report of the Indian Army Commission have passed in review all the main branches of Army administration and organisation dealt with by that body, with the exception of one subject, the transport service.

This is dealt with in the second section of the 10th chapter of the report.

2. As your Lordship is aware, Lieutenant Colonel Low, C.B., late Chief Director of Transport with the Kabul Field Force, is now engaged under our orders in working out an organisation for the Army Transport Service, with reference to the recommendations of the Commission and to the experience gained in the late war of the requirements of the Army under this head: and we had hoped that we should have been able by this time to have communicated our opinions and recommendations on this important subject; but it is a difficult and complicated one, and we do not at present find ourselves in a position to arrive at a definite conclusion upon it; we, therefore, merely make this report *pro formâ*, to indicate that the subject has not escaped our attention, and by way of closing our series of despatches upon the organisation of the Army arising out of the Commission's enquiry.

3. The organisation of the transport service is not, however, necessarily directly connected with the report of the Commission; a consideration of the existing transport system has necessarily arisen out of the imperfections brought to light by the late campaigns in Afghanistan, and the enormous expenditure caused by the want of a proper organisation in peace time capable of expansion on the outbreak of war; and the matter may be dealt with independently of any other questions of army reorganisation. We hope to be able to communicate the result of our deliberations in the course of a few weeks; in the meantime we will merely state that we do not contemplate any addition to the existing peace expenditure, as a consequence of a revised organisation of the transport service. Neither do we look for any considerable saving; so that in considering the financial effect of the various proposals which we have put forward in regard to the organisation of the Indian Army, any changes made in the transport service may be left out of account.

4. Our recommendations in regard to the organisation of the Indian Army are therefore now concluded. We shall, however, again address your Lordship on the subject, passing briefly in review the various proposals which we have made in our separate Despatches.

We have, &c.
(signed) *Ripon.*
W. Stokes.
A. R. Thompson.
J. Gibbs.
E. Baring.
T. F. Wilson.

— No. 7. —

Military Letter from the Government of India to the Secretary of State for India, No. 150, dated the 30th June 1882.

My Lord Marquis,

WE have the honour to submit herewith for the information of your Lordship in Council, the papers, of which a list is attached, relating to the organisation of the army transport in India.

2. The necessity for a reorganisation of this service has been clearly established by the results of the late war. The system heretofore obtaining of maintaining a certain amount of hired carriage during peace time, and impressing

the additional carriage necessary in time of war, has seldom been found to work satisfactorily for ordinary operations in India, and utterly broke down during the late war. It is hardly necessary to do more than advert to the enormous expenditure involved in the transport of the army on that occasion. The failure was of a two-fold kind—

I.—Suitable carriage could not be readily obtained when desired. It had to be collected at vast expense from all parts of India, and even after being obtained it had to be properly equipped; and thus the operations of the army were either suspended or most injuriously retarded at critical periods.

II.—There was an enormous loss amongst the animals; the compensation paid for those which were hired amounts up to date in the Presidencies of Bengal and Bombay to over 17 lakhs of rupees. This loss was due in a great measure to the inexperience in the business of those entrusted with their care. No regular Transport Department existed at the outbreak of the war; and the Commissariat establishments being unequal to the demand made upon them, and being very fully employed by their supply duties, a Transport Department had to be organised, which undoubtedly towards the end of the war became highly efficient. But the experience and aptitude gained by this department was purchased at an enormous cost; and we consider that it would be quite unjustifiable, with this experience before us of the danger and expense involved in want of preparation, not to take measures to place the transport service in India on a more satisfactory footing.

3. This reform should not, in our opinion, involve extra expense. The transport heretofore kept up throughout India under the head of moveable column, and station carriage, costs about 35,00,000 rupees a year. A great part of this carriage is little used at places where it is kept up, and yet is not available for other parts of the country; and we consider that this expenditure ought to suffice to provide an efficient transport service if laid out in the proper way.

4. A very valuable report on the organisation of a transport service for India was drawn up by Lieutenant-General (now General) Sir M. Kennedy, K.C.S.I., Director of Transport and Supply during the war, and was submitted shortly before he left India in the autumn of 1880. In this report, which has already been furnished to your Lordship,* an organisation was worked out for a system of transport service to be maintained in peace time, capable of expansion on the outbreak of war, at an annual charge less than the amount now paid for moveable column and station hired carriage.

* Despatch No. 208, dated the 30th June 1881.

5. Your Lordship, in paragraph 20 of your Despatch No. 328, dated the 6th October 1881, requested an expression of our opinions and recommendations on this report; and considering it desirable that this important matter should be dealt with in the light of practical experience, we had already in June last appointed Colonel R. C. Low, C.B., Commandant 13th Bengal Cavalry, under authority from your Lordship,† to the duty of working out a transport system. Colonel Low was Chief Director of Transport with the Kabul Field Force, to which he was appointed on the 24th March 1880, and he accompanied the force which marched from Kabul to Kandahar under Sir F. Roberts in that capacity, managing the business of his department with marked ability and success, although it must be remarked that the transport under his charge was organised and despatched from India fully equipped under arrangements made by Sir Michael Kennedy. Colonel Low now holds the temporary appointment of a Deputy Commissary General for Transport, which appointment has been sanctioned by your Lordship for a year, pending the establishment of a permanent transport system.

† Despatch No. 328, dated the 6th October 1881.

6. The accompanying papers contain Colonel Low's final report and estimate, which have been revised in close communication with the Quarter Master General's Department and our Military Department.

7. The

7. The leading features of his plan, which we propose to adopt, are as follows :—

First, that a certain proportion of the Indian armies should be equipped with one-half regimental transport, viz.,—

(1) The Punjab Frontier Force.
[This force has always been supplied with a certain amount of transport, which it is proposed to increase somewhat.]

(2) A portion of the army in the Punjab, equal to three brigades of all arms.

(3) One brigade of all arms in Sind.

(4) The Eastern Frontier Force.

(5) The force in Burma.

(6) The Quetta force and its outposts.
[A moveable column of this force is equipped with transport on full Kabul scale.]

(7) The troops in the Peshawar District.

(8) A small force in the Rohilcund District.

These forces comprise about 46,000 men, of whom about 24,000 men are stationed on the frontiers.

The transport for them to be composed of the following animals :—

Elephants - - - - - -	152
Government camels - - - -	396
Hired camels - - - - - -	1,629
Government mules - - - - -	6,091
Light carts - - - - - -	423

8. Your Lordship will observe that it is proposed to distribute this carriage over a larger number of regiments and batteries than it will suffice to completely mobilise. This is done with a view to extending the experience of the troops in the management of transport. Half the total number, or about 23,000 men, could be put in the field within their respective districts fully equipped with transport on the Kabul scale without requiring any additional carriage.

9. This carriage is all to be placed in regimental charge. The object of this is to familiarise officers and men with the handling of transport animals and equipment, a matter of great importance; it is intended that, if possible, a portion of the yearly training of corps should comprise a certain amount of marching for the purpose of training all ranks in transport duties in the field.

10. In addition to this regimental transport, a certain amount of transport is to be kept up at depôts under the management of transport officers. These depôts to be organised in peace time as skeleton cadres, but so as to be capable of rapid expansion in time of war. The depôts of the Bengal Presidency to be at the following places, with the detailed carriage specified in the report:—

Rawalpindi.	Lucknow.
Lahore.	Allahabad.
Meerut.	Calcutta.
Sipree.	Assam.

Of these, Rawalpindi and Meerut will be depôts of instruction ; it is proposed to send small detachments there from various regiments to undergo a course of instruction during the cold season.

11. The total transport which it is in contemplation to maintain at these depôts will be as follows:—

Elephants	331	
Camels	550	
Mules	1,250	
Pack bullocks	250	
Draught bullocks	800	(Siege train.)
Army transport carts	400	
Equivalent to carriage for	15,965	maunds.

This carriage, although nominally borne on the strength of the depôts, is to be utilised as much as possible in peace time for the ordinary business of the army.

12. It is proposed to establish similar depôts in Madras and Bombay to those proposed for the Bengal Presidency. We have left it to the Government of those presidencies to fix the number and position of these depôts, subject to the condition that the total amount now spent on moveable column, station and sick carriage in those presidencies, is not exceeded.

13. Assuming that depôts are established in all three presidencies according to Colonel Low's scheme, then the total amount of transport to be kept up in India will be as follows:—

	Elephants.	Camels, Government.	Camels hired.	Mules.	Pack Bullocks.	Army Transport Carts.	Light Carts.	Sirdars.	Mates.	Coolies.	Boats.	Maunds.
With Frontier Force—Section I.	152	396	1,629	6,091	–	–	423	18	36	924	–	22,278
At depôts and stations depending on them	448	–	920	2,000	1,000	900	50	6	12	300	6	28,870
TOTAL	600	396	2,549	8,091	1,000	900	473	24	48	1,224	6	51,148

14. The greater part of this transport is available already, the most serviceable camels, mules, and draught bullocks remaining over from the past war having been retained for the purpose. All others have been sold to the best advantage. The following table will show the number of animals in charge of the transport staff, and the deficiencies which have to be made good to meet the requirements of the scheme:—

	Elephants.	Camels.	Mules.	Pack Bullocks.	Draught Bullocks.	Army Transport Carts.	Light Carts.
Available as per Statement C. in Colonel Low's scheme	600	1,147	10,009	–	2,757	100	—
Requirements of the scheme	600	396	8,091	1 000	1,000	900	473
Surplus	–	751	1,918	–	1,757	—	—
Deficiencies	–	–	–	1,000	–	800	473

15. According to recent arrangement, we have decided to utilise siege train bullocks more fully than has been the practice hitherto. The employment of these animals for draught purposes in the transport service will effect a saving of 1,20,000 rupees per annum, which would otherwise have to be expended in hire of other draught animals.

16. It may be estimated that the transport at the depôts throughout India, added to the carriage available from troops equipped with transport in regimental charge, can provide for the mobilisation of the following numbers of troops within their respective areas:—

		Men.
On the hot weather service scale, that is to say, the European portion of the troops, or one-third of the number, being equipped with large tents.	Punjab - - - - - - - - -	10,000
	Hindustan - - - - - - - - -	10,000
	Bombay - - - - - - - - -	8,000
	Madras - - - - - - - - -	5,000

17. The total annual estimated cost of the new system is shown in the estimate to be about *Rs.* 28½ lakhs per annum. The present cost of moveable column carriage is, as before stated, 35 lakhs per annum. The new system as thus set on foot will thus afford a margin of about 6½ lakhs to meet unforeseen contingencies, while it will furnish a transport service much more efficient than that which it replaces.

18. The following staff officers are proposed for the transport service:—

	Staff Salary each.
BENGAL.	*Rs.*
1 Deputy Commissary General for Transport* -	1,000
1 Assistant Commissary General for Transport -	600
2 Deputy Assistant Commissaries General for Transport - - - - - - - - - -	500
2 Deputy Assistant Commissaries General for Transport - - - - - - - - - -	400
3 Sub-Assistant Commissaries General for Transport - - - - - - - - - -	300
2 Sub-Assistant Commissaries General for Transport - - - - - - - - - -	200
MADRAS.	
1 Assistant Commissary General for Transport -	600
1 Deputy Assistant Commissary General for Transport - - - - - - - - - -	500
1 Deputy Assistant Commissary General for Transport - - - - - - - - - -	400
1 Sub-Assistant Commissary General for Transport	300
1 Sub-Assistant Commissary General for Transport	200
BOMBAY.	
1 Assistant Commissary General for Transport -	600
1 Deputy Assistant Commissary General for Transport - - - - - - - - -	400
1 Sub-Assistant Commissary General for Transport	300
1 Sub-Assistant Commissary General for Transport	200

* While the appointment is held by Colonel Low; hereafter to be fixed at 800 rupees.

19. The number of European subordinates for which the scheme provides is as follows:—

	Per Mensem each.
	Rs.
PUNJAB AND BENGAL.	
1 Deputy Assistant Commissary	300
5 Conductors	160
7 Sub-Conductors	125
10 Sergeants	70
MADRAS.	
2 Conductors	160
3 Sub-Conductors	125
5 Sergeants	70
BOMBAY.	
1 Conductor	160
1 Sub-Conductor	125
3 Sergeants	70

at a total cost of 50,580 rupees per annum. The full expenditure will not, however, be immediately incurred, as it is intended to fill up the posts by young and active men to be selected from regiments, who commencing in the grade of sergeants will obtain promotion to the ranks above specified in the transport branch of the commissariat, as they prove themselves qualified for it.

20. It is proposed that the transport service should be a branch of the Commissariat Department, and that the officers serving in it should be under the orders of the Commissary General, but at present not to be interchangeable with the officers of the regular Commissariat Department, as in the first instance they would have had no experience of commissariat business. But we would recommend that hereafter every officer entering the Commissariat shall be available for either class of duty, so that in fact the Commissariat Department of each Presidency would eventually be augmented to the extent of the proposed new transport establishment. If all the armies shall be brought under the direct administration of the Government of India, the Deputy Commissary General for transport, under the orders of the Commissary General in Chief, would naturally have the general superintendence of the transport throughout India. But for the present the arrangements for each presidency must be distinct, subject to the general condition laid down in paragraph 12 of this letter. We have, however, expressed to the Governments of Madras and Bombay our readiness to depute Colonel Low for the purpose of affording any assistance in organising their transport service should they desire it.

11. It will be seen from our letters marginally cited that, pending your Lordship's approval to the formation of a Transport Department, we have authorised the following number of officers to b temporarily employed on transport service in Bengal. Most of these officers have been in fact so employed ever since the war in charge of the selected animals which have been retained in view to the organisation of a permanent transport service:—

Military Department, No. 720, dated 15th March 1882, to Commissary General, Bengal.

Military Department, No. 316-S.D., dated 9th May 1882, to Commissary General, Bengal.

Transport Officers.

	Staff Pay per Mensem.
	Rs.
2 Officers on	500 each
3 „	400 „
3 „	300 „
2 „	200 „

22. The

22. The following scale of allowances is proposed for officers, non-commissioned officers and men in charge of regimental transport: and as the greater part of the transport animals, now belonging to Government have been placed in regimental charge, these allowances have been sanctioned from the date on which the carriage was placed in regimental possession:—

	Per Mensem.
	Rs.
British officers in charge of regimental transport, one per regiment - - - - - - - -	30
British non-commissioned officers' working pay, 8 annas per diem - - - - - - - -	—
Native non-commissioned officers' working pay, 2 annas per diem - - - - - - -	—

23. The estimated cost of these allowances for—

The Force in Sind,
„ Punjab Frontier Force,
„ Three brigades of the army in Punjab,
„ Force in the Peshawar District,
„ Small force in Rohilcund,
„ Eastern Frontier Force,
„ Force in Burma,
„ Quetta force,

is about 60,000 rupees per annum.

The hired moveable column carriage has been dispensed with at all stations throughout the Bengal Presidency.

24. The foregoing statement gives the leading points of the proposed new system. It will be seen that this provides—

I.—That a large number of the troops shall become familiar with the management of transport. In this way it may be hoped that in the case of future active operations, the terrible waste of life, such as occurred during the past war from ignorance of the proper mode of treating baggage animals, will be in a great measure prevented.

II.—That the means will be available for at once augmenting the Transport Department to a war strength, with officers, non-commissioned officers and men, both Native and European, trained to transport work, instead of having to begin the war with a staff collected in haste and totally unacqainted with its duties.

III.—The system of depôts will admit of both the animals and followers also being rapidly augmented to any needful extent. The great point will be that the augmentation can be made according to a system carefully thought out beforehand, instead of being effected in a hurry, with the waste of money and power, which hurry always involves. A large transport establishment and staff has been found necessary whenever considerable active operations have had to be undertaken. Hitherto this transport service has been improvised on each occasion, its strength having been arrived at on no fixed principle, according to the supposed exigencies of the service. But the experience which has now been gained will admit of definite proportions of transport being arranged beforehand for any given body of troops, or for any class of operations. The preparation of the needful information on this head will be an important part of the business of the Transport Department; we propose to address your Lordship hereafter more at length on this point.

25. It will be seen that the permanent transport to be kept up consists for the most part of mules, either pack or draught. All experience goes to show that the mule is the most useful form of transport, and that in fact in most wild countries real mobility can be attained only with mule carriage. The carrying capacity of a mule, however, is comparatively limited, and on this account it is not perhaps the cheapest form of transport, hence the necessity for keeping in readiness a considerable number of army transport carts which can be utilised with either mules or bullocks. These carts will carry large tents and other

articles of field equipment which could not be conveniently carried on pack mules.

26. It has been stated in paragraph 8 that the transport in regimental charge will suffice for the mobilisation of 23,000 men. Of this carriage the portion in charge of the troops on the frontiers would not ordinarily be available for employment elsewhere. The depôt transport, which is available for despatch from the depôts to a distant point, is sufficient to equip 13,500 men on the hot weather scale, or 10,000 men on the same scale with twelve days supply of food. In this estimate the transport in regimental charge has been left out of account for the reasons given in paragraph 39 of Colonel Low's scheme, because at the time when it becomes necessary to move such a force, it may also be necessary to keep the rest of the army partially equipped with transport.

27. Your Lordship will observe that Colonel Low's scheme embraces proposals for a new ambulance service. It has been considered very essential to place this service on a well-organised footing, for, like the old moveable column transport system, the ambulance service in India has hitherto been insufficiently organised. It is proposed that the sick transport like the army transport, shall be under the immediate control of officers commanding divisions and districts, but its organisation and administration must in all respects rest with the Army Medical Department. There are many details in regard to the working of bearer columns, rules for training, &c., which will, as in the transport service, have to be worked out hereafter. It will perhaps suffice here to say that the estimated cost of the scheme is about 3,60,000 rupees per annum. The present cost of sick carriage is 4,80,000 rupees per annum, so that the new system, which provides a better organisation than the old, will, it is hoped, be introduced with a saving of about 1,20,000 rupees per annum.

28. The capabilities of the scheme for sick transport are—

(*a*) Equipment and bearers complete, sufficient for the sick of a force of 12,900 men, will be maintained on the frontiers (paragraph 96 of the scheme).

(*b*) For the other parts of India there will be maintained equipment for the sick of 33,000 men, and bearers for 16,500 men (paragraph 102).

(*c*) Sick transport with 10 per cent. spare of bearers for 10,000 men can be concentrated if necessary in any one place (*see* paragraph 103).

(*d*) For the country at large there will be equipment for 45,900 men, that is, for 12,900 men guarding the frontiers, and 33,000 men in provincial or army corps areas. Of this latter equipment two-thirds or sufficient for 22,000 men would be available for any duties; but to fit it for service the staff of bearers must be increased, on the necessity arising to double the number.

29. To effect the above, the total ambulance establishment which will have to be maintained in India will be as follows:—

	Number of Bearer-columns.	Warrant Officers.	Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Camels with Kajawahs.	Mules or Ponies.	Camel Attendants.			Mule Attendants.			Ambulance Carts.	Bullocks, Draught.	Bullock Attendants.		
										Jemadars.	Duffadars.	Surwans.	Jemadars.	Duffadars.	Drivers.			Jemadars.	Duffadars.	Drivers.
Frontier Forces - -	10	10	21	42	2,080	260	130	87	86	1	3	44	–	2	33	–	–	–	–	–
Army Corps - - -	11	11	27	53	2,640	726	363	–	–	–	–	–	–	–	–	182	148	7	13	74
Total - - -	21	21	48	95	2,720	986	493	87	86	1	3	44	–	2	33	182	148	7	13	74

30. These

30. These are the main points of the proposed new system. It will be observed that the plan as now finally prepared by Colonel Low, although arrived at by an independent process, closely resembles in its essential features the scheme drawn up by Sir M. Kennedy.

31. We would now ask your Lordship's general approval to this measure, and your specific sanction to the establishment of officers and warrant and non-commissioned officers detailed in paragraphs 18 and 19. The measure has taken a long time to work out; but many departments and authorities have had to be consulted, and Colonel Low's proposals and figures had to be submitted to careful scrutiny and frequent revision; and, although no time has been lost, it has taken nearly a year to bring the case into its present stage. Even now the figures in Colonel Low's estimate, as finally revised, have not been finally tested in the Accounts Department, and some of those figures, as well as some of the opinions expressed on the report, are open to question. But as the season is so far advanced, we are anxious not to defer any longer in reporting the general nature of the proposed measure.

We have, &c.
(signed) *Ripon.*
D. M. Stewart.
J. Gibbs.
E. Baring.
T. F. Wilson.
C. P. Ilbert.
S. C. Bayley.

Enclosures in No. 7.

From Lieutenant Colonel *R. C. Low*, C.B., Deputy Commissary General, Transport, to the Secretary to the Government of India, Military Department, No. 411, dated 18th October 1881.

WITH reference to Government Resolution contained in Military Department No. $\frac{1587\,S}{D}$, of the 13th October 1881, it is given, as I understand, as a guide for a new scheme to be framed by me. Taken in this light, I think I understand the wishes of Government, and it is apparent that while impressment will certainly give us transport, the abolition of hired moveable column carriage will result in a considerable saving of expenditure.

2. As regards the plan generally, I recognise it to be my duty to endeavour, to the best of my powers, to organise a workable transport on the data which Government may please to lay down; but I hold it to be equally my duty to speak plainly and without hesitation on any point which I believe should be modified to admit of success, and there is one prominent point visible.

3. Government have accepted the organisation I proposed for transport in regimental charge, but have taken from it the essential spark of life, viz., the small allowances to the regimental staff assistants, on the grounds that a reconsideration of the *personnel* of regiments would result. I did not foresee the objection, but it is one which is easily overcome, and in my future proposals I shall have the honour to repeat the recommendations regarding allowances in a form which will not entail any reconsideration of the *personnel* of regiments.

4. I am of opinion that success in any system of regimental transport cannot be hoped for unless the soldier is made a willing co operator in transport work.

5. The scales mentioned in the Resolution will, I presume, be submitted by the Quartermaster General under the orders of his Excellency the Commander in Chief.

6. The Kabul scale will, however, approximate the scale directed to be submitted for cold weather; and pending the submission and approval of these scales, pending also the regiments being detailed by his Excellency the Commander in Chief which are to form the part of the army stationed in the Punjab

which is to be equipped with one-half carriage, I propose carrying out the orders of Government at once in the following manner:—

7. At the stations in the Punjab where there are animals the property of Government, viz.:—

Peshawar,	Meean Meer,
Rawal Pindi,	Sialkot,
Jhelum,	Mooltan,

I will detail sufficient for half regimental carriage for the regiments stationed here on the Kabul scale, and direct the reduction of hired moveable column carriage to that extent in stations where this has not already been done.

8. The location of the balance I will arrange for and report on when I know more precisely what that balance will be; but if regiments are to take over their carriage when allotted, orders must be sent to the officers commanding the Peshawar District,—

Rawal Pindi Division
and
Lahore Division.

9. It will doubtless be a question, in some cases, whether a regiment can take over charge of its transport. Where a regiment cannot do so, the transport should remain in the present transport or commissariat lines, but be considered as told off for the regiment for its use when required.

I will direct the Government orders to be carried out as above in concert with officers commanding stations, to whom, I trust, the necessary orders may be conveyed through the military authorities.

10. I hope during the next 10 days to arrive at conclusions on the subject of ambulance in consultation with Surgeons General of British and Indian Forces.

From Colonel *G. Chesney*, Secretary to the Government of India, Military Department, to the Commissary General, Bengal, No. 1327 D., dated Fort William, the 19th December 1881.

IN forwarding for compliance the accompanying copy of a Resolution* from the Government of Bombay, asking for the transport scheme which accompanied your No. 3894, dated 24th September 1881, I am directed to request that you will ask the Deputy Commissary General for Transport to name the date on which he will be able to furnish a definite scheme for the transport of the army, based on the conditions laid down in Government of India Resolution, No. 1587 S.D., dated 13th October 1881.

* No. 5842, dated 16th November 1881.

2. I am to request that you will be so good as to point out to Lieutenant Colonel Low, C.B., that the Government of India consider the case is somewhat urgent, as the cold weather is passing away, and it is desirable that a definite conclusion should be come to regarding the transport of the future at as early a date as possible.

3. Very unsatisfactory accounts have been received regarding the state of the Transport Department at Rawul Pindi from the general officer commanding that division, and it is necessary that arrangements should be made without delay to introduce a regular system in regard to the organisation, in all respects, of the transport centres in this and the other presidencies.

4. The Government of India also wish to be informed as to the exact action which has been taken since the receipt of the Military Department letter, marginally cited, with regard to the surplus animals which have arrived with Brigadier General Wilkinson's column, as well as with regard to the surplus transport which have returned with General Hume's force from Quetta.

No. 1224 D., dated 7th December 1881.

Copy

Copy of a Letter from Lieutenant Colonel *R. C. Low*, C.B., Deputy Commissary General, Transport, to Colonel *Mylne*, Commissary General, Bengal, No. 931, dated Calcutta, the 21st December 1881.

* Received with Commissary General's No. 8055, dated 20th idem.

In acknowledging receipt of Military Department No. 1327 D.* of 19th instant,—

2. I have the honour to state that I have prepared a scheme based on the Government Resolution contained in Military Department No. 1587 S.D., of 13th October 1881. But the ambulance portion of it is not yet ready; only yesterday I received from the Surgeon General an addition to his estimates, which require all the calculations to be done anew, but I propose getting the transport scheme printed at once and sending in the ambulance when ready. The Government will, I hope, get both before it, by the end of the month.

3. With reference to the first portion of the query in paragraph 4 of Military Department No. 1327 D., dated 19th December 1881, I have the honour to state that, owing to my recall to Calcutta, I was not able to personally superintend the carrying out of the instructions contained in Military Department No. 1224 D., of 7th December 1881, but I sent the instructions in writing in full detail to the General Officer Commanding the column, and also sent a copy to the General Officer Commanding at Mooltan and to the Executive Commissariat, Mooltan, together with a copy of Military Department No. 1224 D. of 7th December 1881.

4. The instructions I gave were as follows:—

A.—All donkeys to be sold in accordance with paragraph 8.

B.—A committee of experienced officers to be appointed to inspect all other animals considered unfit, and all such as were not likely to be fit in two months' time to be sold.

C.—The transport officers of the columns to retain charge of the animals, gear, and equipment, till they have made them over in a regular manner to the Executive Commissariat Officer, Mooltan, who would then, with the depôt officer, take charge of them.

D.—The followers to be paid up by the Transport officer of the column to 30th November 1881, and the necessary entries to be made on the men's tickets.

A nominal roll of the followers, giving their names, numbers, &c., to be made out by the Transport officers of the columns, showing also the date up to which each man had been paid, and this roll to be made over to Executive Commissariat officer, Mooltan.

E.—An entry to be made in all tickets and in the nominal rolls, showing date of arrival at Dera Ghazi Khan, as from that date all would come on reduced pay.

F.—A statement showing the number of animals of each class, also a statement showing description and numbers of saddles and equipment, to be prepared by the Transport officers of the columns, and a receipt for them to be taken from the Executive Commissariat officer, Mooltan.

5. As regards Kahars, I pointed out that if from those with the force, the numbers at present short in the Punjab, viz., 350, would engage to serve on, that they were to be despatched to Meean Meer, Tullagong and Rawal Pindi.

6. The men thus retained in Government service to be paid up by the Transport officers of the force to 30th November, and nominal rolls made out as in the case of the other followers; men who were not required, or who refused to go on serving, to be paid up and discharged, care being taken that their tickets were not left in their possession.

7. The duties of the Transport officers of the columns to cease when the above was done.

8. I directed the Executive Commissariat Officer to send me a report on the above orders being carried out, and on its receipt I will again address you on the subject.

9. As regards the second portion of the query on paragraph 4 of Military Department No. 1327 D., dated 19th December 1881, I have the honour to state that the reductions mentioned in my No. 2 $\frac{M}{2}$ of 18th November 1881, and which were approved of by Government in Military Department No. 1224 D., dated 7th December 1881, are going on and daily sales taking place at Shikarpore and Sibi, and as the sales take place, the establishment is paid up and reduced; 500 cattle of the surplus have been made over to the Commissariat for slaughter purposes.

10. A still further and very large reduction will, however, shortly take place on the Quetta line. My No. 2 M. left the transport there at the following strength :—

Yaboos.	Ponies.	Mules.	Donkeys.	Camels.	Pack Bullocks.	Draught Bullocks.	Carts.
777	711	1,897	379	831	300	3,000	1,000

But on 16th instant I received from the Quartermaster General the strength of troops which his Excellency the Commander in Chief wished to be equipped in the Quetta District, viz. :—

A.—For equipment and five days' supply for a moveable column of one-half a regiment British Infantry, one regiment Native Infantry, one-half a Mountain Battery, one squadron Native Cavalry.

B.—At the posts of Shabrig and Kushdil Khan, transport for 130 rounds per man and one day's supply.

C.—Sufficient transport, in addition to above, to carry one year's supply from the base to Quetta in a period of three months.

11. I telegraphed the above to the General Officer Commanding at Quetta, and asked him to calculate his requirements on these data, and to wire to me the number and class of animals he proposed retaining. I am daily expecting a reply. When I get it I shall know the amount of transport left for distribution elsewhere, and I will report how I propose distributing them.

No. 8186, dated Fort William, the 23rd December 1881.

Endorsed by the Commissary General.

FORWARDED to the Secretary to the Government of India with reference to Military Department No. 1327D. ($\frac{\text{Commissariat Department}}{\text{Transport}}$), dated 19th December 1881.

From Colonel *W. C. R. Mylne*, Commissary General, Calcutta, to the Secretary to the Government of India, Military Department, No. 294, dated Calcutta, the 11th January 1882.

As I find there will be some further delay in preparing my review, I submit letter No. 948, dated 27th December 1881 (received in this office on 5th January 1882), and accompaniments, from Lieutenant Colonel Low, C.B., Deputy Commissary General for Transport, being the revised scheme he has framed for a permanent transport for all India, in obedience to the orders of Government in Military Department, No. 1587 S. D. ($\frac{\text{Commissariat}}{\text{Transport}}$), dated 13th October 1881.

2. My remarks on the scheme as soon as completed will be forwarded.

From Lieutenant Colonel *R. C. Low*, C.B., Deputy Commissary General, Transport, to the Commissary General, Bengal, No. 948, dated 27th December 1881.

In forwarding, for the consideration of Government, the attached scheme for transport, I have the honour to state that I have had some difficulty in interpreting the Government Resolution contained in Military Department No. 1587 S. D. of 13th October 1881.

2. My first reading of it was that in addition to the troops to be equipped with one-half carriage, Government intended to keep up no transport whatever, but to depend on impressment for all other requirements.

This reading would give only the transport of the portion of the Army in the Punjab equipped with one-half carriage as the available amount for the movement of troops in the presidencies of Bengal, Madras, and Bombay; in other words, these areas would be left without means of moving troops, and the only transport ready for despatch to either would be that of the portion of the Army in the Punjab, or enough to move one brigade of all arms.

3. Looking at the Resolution as a guide, and to such passages as those marked C in page 4, D in page 5, and E in page 6 in the copy, which I have attached for reference, I have understood that the system of depôts with outstations depending on them, as proposed by Sir M. Kennedy, is approved of, and I have adopted it in the scheme now submitted.

4. On one point, as regards distribution, I found I could not follow the instructions of the Resolution. I allude to the passages marked A and B in the attached copy:—

A—Directs that not more than half carriage for the troops located there shall be kept up at any centre.

B—Directs that carriage at centres shall not be less than the present moveable column carriage maintained there.

But the moveable column carriage at any station is largely in excess of one-half carriage for the troops located there on any scale approaching a service scale.

5. I have taken the only comprehensive manner of dealing with the amount of transport to be maintained, namely, by regulating it according to the number of troops that it is considered desirable to be in a position to move, and one advantage thus obtained is that by reducing or increasing the numbers of troops, the strength of this scheme can be reduced or increased at will.

6. I took the outline of the scheme to his Excellency the Commander in Chief, and on the main points I understood that I have his Excellency's approval.

7. The total cost of the scheme is yearly *Rs.* 26,86,672. 5. 4.

If Government will consent to maintaining the camels on the hired principle, it will be *Rs.* 1,47,366. 6. less, as shown in Section 1, or a total of *Rs.* 25,39,305. 15. 4.

8. The scheme for ambulance is attached in a separate form, and its cost is *Rs.* 3,61,899. 12., which gives a total yearly cost of either *Rs.* 30,48,572. 1. 4., or, if hired camels are permitted, *Rs.* 29,01,205. 11. 4.

In both cases showing a large saving on present expenditure.

9. The transport required for Quetta has not been included. His Excellency the Commander in Chief has directed that transport to the extent of 2,000 mules, 300 carts, 50 camels, 50 ponies, and 550 bullocks should be retained there.

If this is to be considered as additional to the requirement of the country, proportionate additions must be made to the cost. If, however, this transport may be looked on as a portion of the Sind force and the different depôts in the Bombay army corps, then the estimates are not affected.

The calculations have been made on the Kabul scale, which will approximate the cold weather service scale, to be framed by the Quartermaster General, as directed in the Resolution before named.

CONTENTS.

Outline of the Scheme.
SECTION I.—The data and general principles.
„ II.—The forces to be equipped with one-half transport in regimental charge.
„ III.—The transport depôts and stations depending on them.
„ IV.—Establishments.
„ V.—The total of transport and establishments to be maintained, and the transport available.
„ VI.—Followers and scale of pay.—Miscellaneous.
„ VII.—The cost and details of calculations.

OUTLINE OF THE SCHEME.

THIS scheme gives—

(A.) One-half transport to the troops composing the following forces:—

A portion of the Army in the Punjab equal to one brigade of all arms.
The Punjab Frontier Force.
The Force in Sind.
The Force in the Eastern Frontier.
The Force in Burma.

The cost of which is yearly *Rs.* 9,88,161. 14.

(B.) Transport at 15 depôts of a strength which, added to the carriage available from troops equipped with transport in regimental charge, can provide for the mobilisation of the following strength of troops within their respective army corps areas, viz.:—

	Men.
Punjab Army - - - - - - - - -	10,000
Bengal „ - - - - - - - - -	10,000
Bombay „ - - - - - - - - -	8,000
Madras „ - - - - - - - - -	5,000

Of this collective strength of 33,000 men, 10,000 could, under this scheme, be equipped with mobile transport, and moved to a distant point or seaport, leaving the frontiers fully protected.

It is proposed to make one of these depôts in each army corps area a training depôt for all ranks, viz.:—

Rawal Pindi, in the Punjab.
Meerut, in Bengal.
Bangalore, in Madras.
Poona, in Bombay.

The cost of the transport at all depôts is *Rs.* 13,41,024. 9. 4.

(C.) It provides for a permanent staff of one officer at the head of the department, one officer at each of the depôts, and one additional officer at each of the four training depôts; in all, 20 officers; also two warrant officers to each depôt; in all, 30 warrant officers.

The cost of this establishment is *Rs.* 3,49,985. 14.

The total cost is *Rs.* 26,86,672. 5. 4.

SECTION I.

The Data and General Principles.

The Resolution of Government, contained in Military Department No. 1587 S. D. of 13th October 1881, is taken as a general guide.

The amount of transport which Government decides to maintain should be regulated by the reply to the following query:—

> How many fighting men does Government think it desirable to be able to put in the field at short notice from resources of its own?

This question, again, has two distinct divisions:—

First division.—The number of troops required to be mobilised within the army corps area for the defence and protection of those areas.

I submitted to His Excellency the Commander in Chief the following numbers, of which he approved, viz., transport for the mobilisation of the following strength of troops at short notice, within each army corps area:—

	Men.
Bengal	10,000
Punjab	10,000
Bombay	8,000
Madras	5,000

Second division.—The number of troops required to be mobilised at a distant point or a seaport for expeditionary purposes.

It must be carefully held in remembrance that, although this scheme enables Government to put into the field the above strength of troops in each army corps area, it does not give power to put this collective force, that is to say, 33,000 men, into the field at a distant point or a seaport, for the following reasons:

(*a.*) The portion of the Army in the Punjab equipped with carriage in regimental charge has been reckoned as available for despatch to each of the army corps areas of Bengal, Punjab, Bombay; collectively it must only be reckoned on once.

(*b.*) Elephants and camels are not transport which can be mobilised at distant points, and must be struck out.

(*c.*) In each of the army corps areas of the Punjab and Bombay, the transport of the troops, guarding the respective frontiers, are reckoned, but they cannot be counted on for mobilisation of troops outside their own areas, for the frontiers must be left protected. Making these deductions, the strength of troops that Government can mobilise at a seaport or distant point is 10,000 men.

2. The capabilities of this Scheme, therefore, are:

(*a.*) Troops to the following strength can be mobilised in each army corps area:—

	Men.
Bengal	10,000
Punjab	10,000
Bombay	8,000
Madras	5,000

(*b.*) Troops to the following extent can be mobilised at a point distant from any frontiers, as for instance, a seaport, viz., 10,000 men. —Table C., Section V., shows this.

3. The different yearly cost of the various description of transport is—

				Rs.	*a.*	*p.*		*Rs.*	*a.*	*p.*	
Each Elephant	carries	15	mds., costs yearly	1,200	–	–	or	80	–	–	per md.
„ Camel	„	5	„ „	169	6	–	„	33	14	–	„
„ Mule	„	2	„ „	154	9	–	„	77	4	6	„
„ Pack-bullock	„	2	„ „	141	7	–	„	70	11	6	„
„ A. T. cart	„	12	„ „	404	10	3	„	33	11	6	„
„ Light cart	„	6	„ „	255	4	3	„	42	8	8	„

This shows that wheeled transport is among the cheapest to maintain, but it will not be found so if bad wheels and axles are used.

The point is noted, as Government, in the Resolution contained in Military Department No. 1587 S. D., dated 13th October, 1881, is apparently under the impression that the usual country cart is fit for Army purposes. It is, however, not so.

The usual country cart will, as a rule, be found an excellent article for use in the locality where it is made, but cannot be depended on for mobilisation of troops. An instance is daily before us; the two-bullock cart plying in Calcutta is a good cart, but take these carts, with their wooden axles and unseasoned wood, into rough ground and a dry climate, and the road would be littered with their pieces in a week.

The Army Transport cart must, to be of use, have the best procurable wheels and axles, and further it must be capable of being taken to pieces and sent by rail to any point.

Although Army Transport carts are undoubtedly cheap transport, they cannot be adopted without an initial cost. This cost will, however, for the present, be confined to building the lighter description of cart of which only 226 are required, and building a pattern of an Army Transport cart for each of the larger manufacturing centres, say 20 in all. The numbers of Army Transport carts required by the scheme are 518; but, as large numbers of carts will be at the disposal of Government on the reduction of the Quetta line being completed, these should be utilised and sent to the various places where Army Transport carts have been allotted. In cases where the distance to send them is so great as to render it not worth the cost, Army Transport carts might be built for those places, but the sales consequent on reduction now going on would meet any such cost.

4. There is a weak point in the scheme which must be noticed.

It will be admitted, as a general maxim, that it is unwise to destroy any system before being sure that what is to take its place will be effective; Government does not now contemplate maintaining any hired transport. This point is recommended for re-consideration. It will not be found to pay in practice for Government to own camels. The difference in cost would be *Rs.* 1,47,366. 6. yearly in favour of Government; that is to say, if the camels of this scheme were hired animals, the total cost would be *Rs.* 1,47,366. 6. less than is here given.

The number of camels in the scheme is 1,749, which at *Rs.* 169 7. each is *Rs.* 2,94,274. 6.; the same number, if hired and paid full rates for nine months and grazing rates for three, would cost *Rs.* 1,46,908,. the difference of *Rs.* 1,47,366. 6. would be the saving to the State.

5. It is essential that some means should be provided by which, at the time of need, we can expand the supervising element to meet the requirements of war.

This object was attained in the proposals of October last by giving regimental allowances which have been disallowed under the Government Resolution, which is my guide to the present proposals.

6. I have the honour to state that after my experience of the state of things on my arrival at Kabul, and of the difference which was effected in that state after some months of labour in training non commissioned officers and men in transport duties, I find it impossible to frame a scheme for transport which does not provide for a large body of trained non-commissioned officers and soldiers drawn from the Army and ready to take their places in the field when required; without such provisions, a transport scheme is one in name only.

In the field the principle was adopted of giving small regimental allowances, not only for the supervision and care of Government property, but with the larger object of securing men for those positions who were capable of instructing others,

others, and I can, at all events, point to the fact that afterwards in the many expeditions which left Kabul, concluding with the march to Kandahar and the final retirement to India, the transport was throughout as thoroughly successful as before it had been a source of anxiety and trouble.

I have put a fōotnote to Section II. on transport in regimental charge, showing what the cost would be if Government will reconsider this point and grant small allowances to regiments with transport in charge, but as the principle has been disallowed in the resolution previously referred to, I have endeavoured to find another road to what I am unable to look on as other than a necessity, and I propose obtaining it by making one of each of the army corps depôts into a training school for officers, non-commissioned officers, and men.

7. To each of these depôts I have allotted animals of every available class, so that tuition may be as complete as possible; and while the numbers of men sent for tuition from regiments within the army corps areas to each of these depôts of instruction must depend on house room in these stations, and must be directed by the general officer commanding in those areas, I trust Government will consent to the principle of parties being sent for instructions yearly, and sanction the small expense attending on their journey to and from their regiments.

SECTION II.

Transport in Regimental Charge.

8. The troops to be equipped with one-half regimental transport are laid down in Government Resolution No. 1587 S.D., of 13th October 1881, and are as follows:—

(1.) A portion of the Army in the Punjab.
(2.) The Punjab Frontier Force.
(3.) The Force in Sind.
(4.) The Force on the Eastern Frontier.
(5.) The Force in Burma.

9. The organization of this transport will be as follows:—

The officer commanding a regiment would become responsible for the transport on its being made over to him; he would appoint an officer of the regiment as regimental transport staff officer. This officer to be a European officer in Native regiments.

This Transport Staff officer will hold the same relative position to the transport in regimental charge as the musketry instructor does as regards musketry.

On transport being distributed to companies, one non-commissioned officer would be struck off duty in each company as transport assistant. In Cavalry the same as above, "Troop" being substituted for "Company."

Batteries of artillery, mountain batteries, and company of sappers when sappers with half transport to count as one company of Infantry. It should be a portion of the yearly training of a regiment, wherever possible, that it should pass a certain portion of each drill season under canvas outside cantonment limits, and make short marches as if on service.

It will be a rule with all transport that the officers of the transport branch of the Commissariat are responsible for it in all respects, animals, carts, equipment and gear. Officers commanding regiments must accept what is issued to them and have not power of holding regimental committees to condemn any portion of it. Defects should be brought to the notice of officers commanding stations.

If a non-commissioned officer cannot be spared as transport assistant, a private may be told off for the duty.

10. I have not received a detail of the troops which are to compose the portion of the Army in the Punjab, but I have the authority of His Excellency the Commander-in-Chief to estimate this force as one brigade of all arms.

A brigade of all arms requires one-half transport, as follows:—

One-half Transport for	Camels.	Mules or Ponies			Light Carts.	Total.			Maunds.	Remarks.
		For Pack.	For Puckals.	For Light Carts.		Camels.	Mules.	Light Carts.		
	1	2	3	4	5					
1 Regiment, British Infantry.	108	14	5	13	13	108	32	13	648	Weight for animals in columns 3 and 4 not included in maundage.
2 Regiments, Native Infantry, each.	57	11	8	10	10	114	58	20	704	
1 Regiment, Native Cavalry.	–	76	–	–	–	–	76	–	152	
2 Field or Mountain Battery, each.	–	67	1	–	–	–	136	–	134	
1 Company Sappers -	14	7	1	–	–	14	8	–	84	
Total - -	–	–	–	–	–	236	310	33	1,722	

In Infantry carts are allowed for 100 rounds per man; mules for 30 rounds per man. The balance of weight required for half carriage is given in camels; puckal animals extra.

Cavalry and mountain batteries are given mule or pony carriage.

11. The Punjab Frontier Force requires, as follows:—

One-half Transport for	Camels.	Mules for			Carts, Light.	Total.			Maunds.	Remarks.
		Puckals.	Pack.	Carts.		Camels.	Mules.	Light Carts.		
	1	2	3	4	5					
5 Regiments, Native Cavalry, each.	–	–	76	–	–	–	380	–	760	Weight for animals in columns 2 and 4 not included in maundage.
9 Regiments, Native Infantry, each.	38	8	50	10	10	342	632	90	4,050	
2 Regiments. in Hazara	–	8	175	–	–	–	366	–	750	
Corps of Guides - -	38	8	101	10	10	38	119	10	452	
5 Mountain Batteries -	–	2	48	–	–	–	250	–	480	
Total - - -	–	–	–	–	–	380	1,717	100	6,492	

In Infantry light carts are allowed for 100 rounds per man; mules for 30 rounds per man.

The balance given in pack transport consisting of mules and camels; Cavalry and mountain batteries, also regiments in Hazara, being given mules or ponies.

12. The requirements of the force in Sind are as follow:—

One-half Transport for	Camels.	Mules for			Light Carts.	Total.			Maunds.	Remarks.
		Puckals.	Pack.	Carts.		Camels.	Mules.	Light Carts.		
	1	2	3	4	5					
3 Batteries, Royal Artillery, each	27	2	–	–	–	81	6	–	405	Weight for animals in columns 2 and 4 not included in maundage.
1 British Infantry -	108	14	5	13	13	108	32	13	648	
3 Native „ each	54	11	8	10	10	162	87	30	1,056	
2 Native Cavalry „	–	–	76	–	–	–	152	–	304	
Total - - -	–	–	–	–	–	351	277	43	2,413	

In Infantry carts are given for 100 rounds per man; mules or ponies for 30 rounds per man; the balance is given in camels. Cavalry is given mule transport.

13. The requirements of the Force in Eastern Frontier are as follow :—

One-half Transport for	Elephants.	Mules for: Camels.	Mules for: Puckals.	Mules for: Pack.	Coolies.	Light Carts.	Total: Camels.	Total: Mules.	Total: Coolies.	Total: Elephants.	Maunds	Remarks.
	1	2	3	4								
3 Native Infantry, each.	12	–	8	85	–	–	–	279	–	36	1,050	Weight for animals in column 3 not included in maundage.
1 Native Infantry, Cachar.	10	–	8	100	–	–	–	108	–	10	350	
1 Mountain Battery -	–	–	2	67	–	–	–	69	–	–	134	
Total - - -	–	–	–	–	–	–	–	456	–	46	1,534	

Elephants allotted as per Military Department No. 1111 D. of 16th November 1881; balance given in mules or ponies.

14. The requirements of the force in Burma are as follow:

	Elephants.	Mules or Ponies for: Puckals.	Mules or Ponies for: Pack.	Total: Elephants.	Total: Mules.	Maunds.	Remarks.
	1	2	3				
2 British regiments, each - -	15	8	213	30	442	1,302	Weight for animals in column 2 not included in maundage.
5 Native Infantry, „ - -	8	8	115	40	595	1,750	
2 Mountain Batteries „ - -	18	- -	- -	36	- -	540	
1 Company Sappers - - -	- -	1	86	- -	37	72	
Total - - -	- -	- -	- -	106	1,074	3,674	

Elephants allotted as per Military Department No. 1111 D. of 16th November 1881; balance given in mules or ponies.

15. The total transport required for transport of troops guarding the frontiers is :—

	Camels.	Mules or ponies.	Carts, light.	Elephants.	Maunds.	Remarks.
Portion of army in Punjab - -	236	310	33	- -	1,722	
Punjab Frontier Force - - -	380	1,717	100	- -	6,492	
The Force in Sind - - - -	351	277	43	- -	2,413	
„ „ on Eastern Frontiers -	- -	456	- -	46	1,534	
„ „ in Burma - - -	- -	1,074	- -	106	4,062	
Total - - -	967	3,834	176	152	16,223	

N.B.—To make this transport thoroughly efficient, small regimental allowances should be granted as follows :—

To European officers in both European and Native regiments 6 rupees per company equipped with transport, inclusive of office allowance.

European non-commissioned officers, working pay of 8 annas per day.

Native non-commissioned officers, working pay of two annas per day. If a non-commissioned officer could not be spared, a private should be appointed with pay as above.

The extra expense to the whole scheme, if these allowances were granted, would be 23,420 rupees yearly.

SECTION III.

Depôts and their Outstations.

16. The transport to be maintained at depôts, and at stations dependent on them, is given in the following table :—

Depôts.	Stations dependent on Depôts.	Transport allotted.							
		Elephants.	Camels.	Mules or Ponies.	Pack-bullocks.	Carts, Army Transport.	Carts, Light.	Coolies.	Maunds.
Rawal Pindi	Rawal Pindi Sialkot Jhelum Talagong Murree and Murree Hills Peshâwar Attock Campbellpore Nowshera	40	38	100	–	–	–	–	990
Lahore (Meean Meer)	Meean Meer Jullundur Mooltan Ferozepore Amritsar Govindgarh Dharmsála Bakloh (near Dalhousie)	58	50	–	–	–	–	–	1,120
Meerut	Meerut Umballa Moradabad Almora, Naini-Tal Sháhjahánpur Ránikhet Dehra Dún Chakráta Delhi Landour Roorkee Kasauli Subáthu Dagshai	30	100	250	–	30	–	–	1,810
Agra	Agra Gwalior (Morar) Jhansi Muttra Fatehgarh Nusseerabad	25	100	–	–	28	–	–	1,211

Depôts.	Stations dependent on Depôts.	Transport Allotted.							Maunds.
		Elephants.	Camels.	Mules or Ponies.	Pack-Bullocks.	Carts, Army Transport.	Carts, Light.	Coolies.	
Lucknow	Lucknow Fyzabad Bareilly Sitapur	96	74	–	–	–	–	–	1,810
Allahabad	Allahabad Gorakhpur Saugor Jubbulpore Banda Cawnpore Dinapore Benares Segowlie Nowgong Pachmarhi	16	–	–	400	80	–	–	2,000
Calcutta	Darjeeling Jalpáiguri Barrackpore Fort William Alipore Dum-Dum Hazaribagh Doranda Bhágalpur Dacca Baxa	54		–	–	80	–	–	1,770
Shillong	Shillong, Jowai, &c. Dibrugarh, Sadiya, &c. Cachar, Monierkhal Gauhati, Tezpur, &c.	40	–	450	–	–	–	300	1,650
Jacobabad	Jacobabad Karachi Hyderabad Sukkur	15	130	–	–	34	–	–	1,283
Mhow	Mhow Neemuch Abu Kamptee Seetabuldee Hoshangabad Raipur Chanda Sironcha	15	100	–	100	36	–	–	1,357

Depôts.	Stations dependent on Depôts.	Transport Allotted.							Maunds.
		Elephants.	Camels.	Mules or Ponies.	Pack-Bullocks.	Carts, Army Transport.	Carts, Light.	Coolies.	
Poona	Poona, Ahmednagar, Malegaon, Satara, Sholapur, Ahmedabad, Deesa, Rajkot, Belgaum, Aden, Kolhapur, Baroda, Bombay, Deolali	20	80	250	–	29	–	–	1,548
Secunderabad	Secunderabad, Bellary	14	100	100	100	30	–	–	1,470
Bangalore	Bangalore, French Rocks, Mercara, Nilgiris, Cannanore, Calicut, Maliyapuram, Mangalore	20	–	250	–	70	–	–	1,640
Madras	Madras, St. Thomas' Mount, Pallaveram, Poonamallee, Vellore, Waltair, Vizagapatam, Vizianagram, Berhampore, Sambalpur, Cuttack, Trichinopoly, Quilon, Palamcotta	5	–	100	200	101	–	–	1,887
Rangoon	Rangoon, Thayetmyo, Toungoo, Moulmein	–	–	–	550	–	50	–	1,400
	Grand Total	448	772	1,500	1,350	518	50	300	22,446

17. The amount of transport to be detached from the depôts to the out-stations depending on the depôts would be detailed by the General Officers commanding the division or district under whose authority the transport would necessarily be.

18. The manner in which I have calculated the requirements of these depôts is as follows:

Punjab.—10,000 maunds of transport is required to mobilise 10,000 men.

The transport of the Punjab Frontier Force is, I consider, available, or 6,492 maunds. The transport of the portion of the army in the Punjab equipped with regimental transport is also available, or 1,399 maunds. Deducting these two items, leaves a balance of 2,109 maunds to be maintained at the two depôts in the Punjab, viz.:—

	Mds.
Rawal Pindi	990
Meean Meer	1,119

Bengal.—Transport is required for 10,000 men, or 10,000 maunds.

The transport of the portion of the army in the Punjab would be available for despatch to Bengal in the event of a disturbance there, or 1,399 maunds, which leaves 8,601 maunds to be kept up in the 5 depôts in Bengal, viz.:—

	Mds.
Meerut	1,810
Agra	1,211
Lucknow	1,810
Allahabad	2,000
Calcutta	1,770
TOTAL	8,601

Eastern Frontier.—This has been separately treated, and the requirements of the 1 depôt of Shillong, with its stations dependent on it, have been placed at the present strength maintained, viz., 1,450 maunds.

Madras.—The requirements here are 5,000 maunds for mobilisation of 5,000 men, and there is nothing available. This 5,000 maunds has been divided amongst the 3 depôts of—

	Mds.
Secunderabad	1,470
Bangalore	1,640
Madras	1,890
TOTAL	5,000

Burma is separately treated, and given transport in the one depôt of Rangoon for 1,400 maunds.

Bombay.—The requirements are 8,000 maunds for 8,000 men.

The transport of the portion of the army in the Punjab is considered as available for despatch, viz., 1,399 maunds, also the transport of the force in Sind 2,413 maunds; deducting these, 4,188 maunds of transport is required to be maintained, and this has been allotted to the 3 depôts of—

	Mds.
Jacobabad	1,283
Mhow	1,357
Poona	1,548
TOTAL	4,188

19. In each army corps area one depôt will be a depôt of instructions as follows:—

Rawal Pindi in the Punjab,
Meerut „ Bengal,
Poona „ Bombay,
Bangalore „ Madras,

and it is proposed that under orders of the officers commanding the armies, that small detachments of the various regiments should be sent to these training depôts for a course of instruction during the cold season.

These stations have been selected as those having large garrisons themselves, and as depôts which from their situations and surroundings require transport of almost all descriptions, tuition can thus be given in the loading and treatment of almost every description of animals used.

20. One other point has to be noticed regarding these depôts and the transport allotted to them. Certain depôts have depending on them hill stations, which require, in the hot season, a large number of mules or ponies for the water-supply of the troops located there in the summer months.

I have considered that the mules and ponies in regimental charge, wherever possible, should be utilised for this purpose, and have not given extra animals for this purpose to the depôts; for instance, at Murree and the adjoining hill camps about 400 animals are always at work in the summer, and the same number at Cherat, for water-supply and stores; but there appears to be no reason why Government should maintain extra animals for this purpose when there are animals at Peshawar and Rawal Pindi in regimental charge doing nothing in the hot season.

21. The elephants have been allotted in accordance with Military Department No. 1111 D., dated 16th November 1881.

22. The total of transport to be maintained in the depôts is as follows:—

	Elephants.	Camels.	Mules or Ponies.	Pack-Bullocks.	Draught Bullocks.	Carts, Army Transport.	Carts, Light.	Coolies.	Total Maunds.
Punjab - - -	98	88	100	–	–	–	–	–	2,110
Bengal - - -	261	274	700	400	436	218	–	300	11,123
Bombay - - -	50	310	250	100	198	99	–	–	4,584
Madras - - -	39	100	450	850	402	201	50	–	7,201
TOTAL - - -	448	772	1,500	1,350	1,036	518	50	300	25,018

SECTION IV.

ESTABLISHMENTS.

23. The Commissariat Department would require to be strengthened as follows:—

1 Officer at the head of the department - - - - - -	1
1 Officer for each depôt - - - - - - - - -	15
4 Officers additional at the 4 training depôts - - - -	4
TOTAL - - -	20

There are 6 depôts in Bengal, Shillong included.
2 in the Punjab.
4 in Madras, Rangoon included.
3 in Bombay.

The

The following would be the additions required in the Commissariat Department:—

Bengal - - - - -	1 Officer at the head of the department. 1 Deputy Commissary General. 1 Assistant „ „ 1st class. 1 „ „ „ 2nd „ 1 Deputy Assistant Commissary General, 1st „ 1 „ „ „ 2nd „ 1 Sub-Assistant Commissary General, 1st „ 1 „ „ „ „ 2nd „
Total - - -	8
Punjab - - - - -	1 Assistant Commissary General, 2nd class. 1 Deputy Assistant „ „ 1st „ 1 „ „ „ „ 2nd „
Total - - -	3
Bombay - - - - -	1 Assistant Commissary General, 1st class. 1 Deputy Assistant „ „ 2nd „ 1 Sub-Assistant „ „ 1st „ 1 „ „ „ „ 2nd „
Total - - -	4
Madras - - - - -	1 Assistant Commissary General, 1st class. 1 Deputy Assistant „ „ 1st „ 1 „ „ „ 2nd „ 1 Sub-Assistant „ „ 1st „ 1 „ „ „ „ 2nd „
Total - - -	5
GRAND TOTAL - - -	20

24. It will be the duty of each depôt officer not only to supervise all the transport at his depôt and the detachments of transport sent from his depôts to stations depending on that depôt, but he will have the large responsibility and work of making a register of the transport which exists in the country in the numerous districts of which his depôt is the centre. The assistance which Government gives in the Resolution which is the data of this scheme consists of the aid of civil officers and the officers of the Quartermaster General's Department, but as all, except direct agency, is barred, it results that to compile anything but a hearsay register, the transport officers of the depôts will have a life of endless work in front of them.

It is necessary to provide for officers falling sick or requiring leave, but as the main duties of the additional four officers at the training depôts will be over at the end of each cold season, I have considered that these four officers being more or less available for six months of each year are equivalent to the necessary percentage of 10 per cent. spare, and that the work can be done without asking for more.

25. The establishment of warrant officers required will be two for each depôt, and the following list shows the number to be added to the Commissariat Department:—

To Bengal and Punjab - - -	1 Deputy Assistant Commissary. 6 Conductors. 9 Sub-Conductors.
To Madras - - - - -	1 Deputy Assistant Commissary. 3 Conductors. 4 Sub-Conductors.
To Bombay - - - - -	1 Deputy Assistant Commissary. 2 Conductors. 3 Sub-Conductors.

 26. Establishment

26. Establishment for one division of pack transport of 500 maunds to be expanded to 2,000 maunds in time of war.

Peace Establishment.	War Establishment.	Number required to complete.
MULES, PONIES, OR PACK-BULLOCKS.		
250 Animals.	1,000 Animals.	750 Animals.
5 Jemadars.	1 Transport Officer.	1 Transport Officer.
10 Duffadars.	2 Warrant Officers.	1 Warrant Officer.
100 Drivers, *i.e.*, 1 to 3 and 10 per cent. spare.	20 Jemadars.	15 Jemadars.
1 Weighman.	40 Duffadars.	30 Duffadars.
1 Gomashta, 2nd class.	366 Drivers, *i.e.*, 1 to 3 and 10 per cent. spare.	266 Drivers.
1 Peon.	4 Weighmen.	3 Weighmen.
1 Warrant Officer.	4 Peons.	3 Peons.
Veterinary Establishment.		
1 Salutri.	4 Salutris.	3 Salutris.
2 Shoeing smiths.	8 Shoeing smiths.	6 Shoeing smiths.
2 Native saddlers.		
Artificers.		
1 Carpenter.	1 Mule Agent or Gomashta, 1st class.	1 Mule Agent.
1 Blacksmith.	8 Native saddlers.	6 Native saddlers.
1 Hammerman.	4 Carpenters.	3 Carpenters.
1 Bellowsman.	4 Blacksmiths.	3 Blacksmiths.
	4 Hammermen.	3 Hammermen.
	4 Bellowsmen.	3 Bellowsmen.
	2 Weighmen.	2 Weighmen.
	1 Peon.	1 Peon.
	1 Gomashta, 1st class.	1 Gomashta, 1st class.
	1 „ 2nd „	
CAMELS.		
100 Camels.	500 Camels.	400 Camels.
2 Jemadars.	1 Transport Officer.	1 Transport Officer.
4 Duffadars.	2 Warrant Officers.	2 Warrant Officers.
43 Surwans, *i.e.*, 1 to 3 and 10 per cent. spare.	1 Moonshee.	1 Naib Chowdry.
	2 Weighman.	1 Moonshee.
	10 Jemadars.	2 Weighmen.
	20 Duffadars.	8 Jemadars.
	184 Surwans, 1 to 3 and 10 per cent. spare.	141 Surwans.
	1 Gomashta, 1st class.	
Artificers.		
1 Carpenter.	5 Carpenters.	4 Carpenters.

27. The establishment for one division of draught transport of 600 maunds to be expanded to 3,000 maunds in time of war.

Army Transport cart carries 12 maunds drawn by 2 animals.
Light „ „ 6 „ 1 animal.

Peace Establishment.	War Establishment.	Number required to complete.
ARMY TRANSPORT CARTS.		
50 Carts.	250 Carts.	200 Carts.
100 Bullocks.	500 Bullocks.	400 Bullocks.
5 Jemadars.	1 Transport Officer.	1 Transport Officer.
10 Duffadars.	2 Warrant Officers.	2 Warrant Officers.
55 Drivers, *i.e.*, 1 to each cart and 10 per cent. spare.	20 Jemadars.	15 Jemadars.
	40 Duffadars.	30 Duffadars.
	275 Drivers, *i.e.*, 1 to each cart and 10 per cent. spare.	220 Drivers.
Veterinary.		
1 Salutri.	3 Salutris.	2 Salutris.
1 Shoeingsmith.	2 Shoeing-smiths.	1 Shoeing-smith.
Artificers.		
1 Blacksmith.	3 Blacksmiths.	2 Blacksmiths.
1 Bellowsman.	3 Bellowsmen.	2 Bellowsmen.
1 Hammerman.	3 Hammermen.	2 Hammermen.
1 Carpenter.	3 Carpenters.	2 Carpenters.
1 Wheel-greaser.	3 Wheel-greasers.	2 Wheel-greasers.
1 Gomashta, 3rd class.	2 Weighmen.	2 Weighmen.
	1 Peon.	1 Peon.
	1 Gomashta, 1st class.	1 Gomashta, 1st class.
	1 „ 3rd „	
LIGHT CARTS.		
100 Carts.	600 Carts.	500 Carts.
100 Animals.	600 Animals.	500 Animals.
2 Jemadars.	1 Transport Officer.	1 Transport Officer.
4 Duffadars.	2 Warrant Officers.	2 Warrant Officers.
110 Drivers, 1 each, and 10 per cent. spare.	12 Jemadars.	8 Jemadars.
	24 Duffadars.	16 Duffadars.
	660 Drivers, 1 each and 10 per cent. spare.	550 Drivers, 1 each, and 10 per cent. spare.
Veterinary.		
1 Salutri.	2 Salutris.	1 Salutri.
1 Shoeingsmith.	2 Shoeingsmiths.	1 Shoeingsmith.
Artificers.		
1 Blacksmith.	3 Blacksmiths.	2 Blacksmiths.
1 Bellowsman.	3 Bellowsmen.	2 Bellowsmen.
1 Hammerman.	3 Carpenters.	2 Carpenters.
1 Carpenter.	3 Wheel-greasers.	2 Wheel-greasers.
1 Wheel-greaser.	2 Weighmen.	2 Weighmen.
1 Gomashta, 3rd class.	1 Peon.	1 Peon.
	1 Gomashta, 1st class.	1 Gomashta, 1st class.
	1 „ 3rd „	

SECTION V.

The Total of TRANSPORT and ESTABLISHMENTS to be maintained, and the TRANSPORT available.

28. The transport required by this scheme in each of the Army Corps areas is mentioned in the following Table (A.)

29. Table (B.) shows the total transport to be maintained in India with total of establishment of all kinds.

30. Table (C.) shows the portion of this transport which is of a mobile description, and available for putting troops into the field at a distant point or a seaport leaving the frontiers protected.

31. Table (D) shows the transport at present owned by Government, and which is available to meet the requirements of the scheme and its present situation.

32. Table (E.) shows the surplus owned by Government, and the deficiencies to be purchased by Government in the various classes of transport to meet the requirements of the scheme.

It will be seen from this table, the surplus is so large, compared to the deficiencies, that the outlay will certainly be more than met by the sales.

(A.)

TABLE showing the Total Transport to be maintained in each ARMY CORPS, and on what Account.

	Elephants.	Camels.	Mules.	Pack Bullocks.	Carts, Army Transport.	Carts, Light.	Coolies.
Punjab Depôt, Section III.	98	88	100	—	—	—	—
Portion of Army and Frontier Force — Section II.	-	236	310	-	-	33	—
	-	380	1,747	-	-	100	—
TOTAL	98	704	2,157	-	-	133	—
Bengal Depôts, Section III.	261	274	650	400	218	-	300
Force in Eastern Frontier, Section II.	46	-	456	—	—	—	—
TOTAL	307	274	1,106	400	218	-	300
Bombay Depôts, Section III.	50	310	250	100	99	—	—
Force in Sind, Section II.	-	361	277	-	-	43	—
TOTAL	50	671	527	100	99	43	—
Madras Depôts, Section III.	39	100	450	850	201	50	—
The Force in Burma, Section II.	106	-	1,074	—	—	—	—
TOTAL	145	100	1,524	850	201	50	—

(B.)

TABLE showing the Total of TRANSPORT and Establishments to be maintained in INDIA.

	Officers.		Transport.								Veterinary.		Elephant Attendants.			Mule, Pony and Bullock Attendants.			Camel Attendants.			Artificers.							
	Commissioned.	Warrant.	Elephants.	Camels.	Mules or Ponies.	Pack-Bullocks.	Draught-Bullocks.	Army Transport Carts.	Light Carts.	Coolies.	Saltris.	Shoeingsmiths.	Jemadars.	Mahouts.	Coolies.	Jemadars.	Duffadars.	Drivers.	Jemadars.	Duffadars.	Surwans.	Carpenters.	Blacksmiths.	Hammermen.	Bellowsmen.	Wheel-greasers.	Weighmen.	Peons.	Saddlers.
PUNJAB ARMY.																												
Frontier Force - - - - - - -	3	4	98	704	2,157	–	–	–	133	–	9	17	9	98	98	43	86	791	13	26	258	16	8	8	8	2	6	6	21
Portion of Army depôts - - - -																												
BENGAL ARMY.																												
Force in Eastern Frontier and depôts - -	7	12	307	274	1,106	400	436	218	–	300	12	12	31	307	307	22	44	405	6	12	101	15	12	12	12	4	8	8	16
BOMBAY ARMY.																												
Force in Sind and depôts - - - - -	4	6	50	671	527	100	198	99	43	–	5	5	5	50	50	11	22	193	14	28	246	12	5	5	5	3	5	5	8
MADRAS ARMY.																												
Force in Burma and depôts - - - - -	5	8	145	100	1,524	850	402	201	50	–	14	22	15	145	145	30	60	559	2	4	36	15	14	14	14	14	4	14	15
TOTAL - - -	19	30	600	1,749	5,314	1,350	1,036	518	226	300	40	56	60	600	600	106	212	1,948	35	70	641	58	39	39	39	23	23	33	60
Add 1 officer at Head of Department - -	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Add extra attendants for army transport carts, difference between 1 to 2 and 1 to 3 - - - - - - - -	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	86	–	–	–	–	–	–	–	–	–	–	–
Add extra attendants for light carts, difference between 1 to each and 1 to 3 - - -	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	150	–	–	–	–	–	–	–	–	–	–	–
GRAND TOTAL - - -	20	30	600	1,749	5,314	1,350	1,036	518	226	300	40	56	60	600	600	106	212	2,184	35	70	641	58	39	39	39	23	23	33	60

(C.)

TABLE showing the Mobile Transport available to send to a Seaport or distant point, leaving Frontiers protected.

	Mules or Ponies.	Pack-Bullocks.	A. T. Carts, with Bullocks.	Light Carts with Mules.	Maunds.
From Punjab depôts	100	-	-	-	200
From P. A. in Punjab	310	-	-	33	808
From Bengal depôts	250	400	218	-	3,916
From Bombay	250	100	99	-	1,818
From Madras	450	300	201	-	3,912
TOTAL	1,360	800	518	33	10,654

Total 10,654 maunds, or power to equip a force of 10,000 men without supplies.

(D.)

TABLE showing the Number of Animals owned by Government.

	Yaboos.	Ponies.	Mules.	Camels.	Donkeys.	Pack Bullocks.	Draught Bullocks.	Elephants.	Army Transport Carts.
1. With Punjab Force	-	-	750	450	-	-	-	-	-
2. Depôts in Punjab	-	2,086	4,688	-	-	-	-	-	-
3. With Bozdar Column	409	615	1,170	-	265	-	-	-	-
4. Probable surplus in Southern Afghanistan.	353	935	78	937	-	1,017	7,174	-	1,627
5. Supply animals at hill stations	-	-	227	-	-	-	-	-	-
6. Government elephants	-	-	-	-	-	-	-	600	-
7. In Bombay	-	-	1,021	-	-	-	-	-	-
8. In Madras	-	-	650	-	-	-	-	-	-
TOTAL	762	3,636	8,584	1,387	265	1,017	7,174	600	1,627

(E.)

TABLE showing the Surplus Transport for disposal.

	Elephants.	Camels.	Yaboos.	Mules.	Ponies.	Donkeys.	Pack Bullocks.	Draught Bullocks.	Army Transport Carts.	Light Carts.	Coolies.
Available as per Table D.	600	1,387	762	8,584	3,636	265	1,017	7,174	1,627	-	-
Requirements of the scheme as per Table B.	600	1,749	-	5,314	-	-	1,350	1,036	518	226	300
Surplus	-	-	762	3,270	3,636	265	-	6,138	1,109	-	-
Deficiencies	-	362	-	-	-	-	333	-	-	226	300

The carts at present employed in South Afghanistan are classed as army transport carts in Tables D. and E.

SECTION VI.

Followers—Miscellaneous.

33. All followers will be entertained in accordance with the provisions of paragraphs 344-357 of the Report of the Special Commissariat Committee

34. The following uniform will be issued to each follower:—

A khakhi drill blouse.
A saloo pugree.
A pair of shoes.
A broad leather belt, with A. T. engraved on it.

35. The following is the scale of pay:—

	Per mensem.
	Rs.
Elephant Attendants.	
1 Jemadar to every 10 animals	10
1 Mahout to each elephant	8
1 Coolie „ „	5
Camel Attendants.	
1 Jemadar to 50 camels	10
1 Duffadar to 25 „	8
1 Surwan to 3 „	6
Mule, Pony, and Bullock Attendants.	
1 Jemadar to 50 at	10
1 Duffadar to 25 „	8
1 Driver to 3 „	6
N.B.—Drivers for Army Transport carts 1 to each pair. Drivers for light carts 1 to each.	
Veterinary.	
Salutris each	35
Assistant Salutris	20
Shoeing Smith	15
Artificers.	
Blacksmiths each	15
Saddlers	12
Carpenters	10
Bellowsman	7
Hammerman	6
Wheel-greasers	6
Weighmen	6
Peons	6
Gomashtas.	
1st Class	50
2nd „	40
3rd „	30

All followers whose pay is under 10 rupees per mensem to receive compensation for dearness of provisions.

Miscellaneous.

36. It will be necessary to provide buildings at the centres for the equipment, &c., stationed there. I have no means of ascertaining what the initial outlay will be, a light shed for the carts and the same for a hospital for the

animals, with a godown for equipment, and blacksmiths' and carpenters' huts, are about the total of what is required at each depôt. For the annual repairs of these buildings, I have estimated 500 rupees per depôt yearly, which is a liberal allowance.

37. Regarding huts for the followers, it will be necessary to consider that at many stations hutting room may not be found near the lines of regiments, and that the transport in regimental charge will have to be located in the transport lines. At the same time it will be seen in the table at Section III., para. 16, that the transport allotted to depôts in the proximity of the frontiers is small, and "some of this must be" distributed over the stations depending on the depôts, and it will be found that when the scheme is brought into operation the present accommodation existing will, in most cases, be sufficient; where it is not so, then hutting for the followers and buildings as above-mentioned must be given; this can only be considered locally by the military commanders throughout the country under whom the supreme control of all transport must rest.

38. Government has in possession more than the required number of ordnance saddles. The balance should be stored.

SECTION VII.

The Cost and Details of Calculations.

The total cost will be as follows:—

Transport in regimental charge as per Section II.:

		Rs.	*a.*	*p.*		*Rs.*	*a.*	*p.*	*Rs.*	*a.*	*p.*
152 Elephants	at	1,200	–	–	=	1,82,400	–	–			
3,864 Mules	„	154	9	–	=	5,97,229	8	–			
967 Camels	„	169	6	–	=	1,63,585	10	–			
176 Light carts	„	255	4	3	=	44,946	12	–			
									= 9,88,161	14	–

Transport of depôts as per Section III.—

		Rs.	*a.*	*p.*		*Rs.*	*a.*	*p.*			
448 Elephants	at	1,200	–	–	=	5,37,600	–	–			
772 Camels	„	169	–	–	=	1,30,688	12	–			
1,450 Mules	„	154	9	–	=	2,24,115	10	–			
1,350 Pack-bullocks	„	141	7	–	=	1,90,940	10	–			
518 Army transport carts	„	404	10	–	=	2,09,692	–	–			
50 Light carts	„	255	4	3	=	12,763	4	–			
300 Coolies						35,223	–	–			
									= 13,41,024	9	4
Establishment of officers, warrant officers, and offices as per Section IV.									3,49,985	14	–
									26,79,172	5	4
Add annual repairs to buildings, Section VI.									7,500	–	–
									26,86,672	5	4

TOTAL

The following are the data from which calculations are made:—

Elephants cost to feed and maintain 1,200 rupees each yearly.

The cost of feeding a camel, according to accounts received from the Examiners of Commissariat Accounts of Bengal and Bombay, is for the five years ending 1878—

	Rs.	*a.*	*p.*	
Bengal	95	3	9	yearly.
Bombay	133	2	1	
	2)228	5	10	
	114	3	–	each.

The

The cost of feeding a mule is, from information similarly obtained,—

	Rs.	*a.*	*p.*	
Bengal	54	1	6	yearly.
Madras	108	–	–	„
Bombay	92	9	5	„
	3)254	10	11	
	84	14	4	each.

The cost of feeding a draught or pack-bullock is—

	Rs.	*a.*	*p.*	
Bengal	58	9	2	yearly.
Madras	79	0	6	„
Bombay	115	5	2	„
	3)252	14	10	
	84	5	–	each.

The cost of maintaining a peace division of 250 pack-mules or ponies is for a year—

					Rs.	*a.*	*p.*
Food					21,223	15	4
5 Jemadars	at 10	×	12	=	600	–	–
10 Duffadars	„ 8	×	12	=	960	–	–
100 Drivers	„ 6	×	12	=	7,200	–	–
1 Weighman	„ 6	×	12	=	72	–	–
1 Peon	„ 6	×	12	=	72	–	–
1 Salutri	„ 35	×	12	=	420	–	–
1 Shoeingsmith	„ 15	×	12	=	180	–	–
2 Saddlers	„ 12	×	12	=	288	–	–
1 Carpenter	„ 10	×	12	=	120	–	–
1 Blacksmith	„ 15	×	12	=	180	–	–
1 Hammerman	„ 6	×	12	=	72	–	–
1 Bellowsman	„ 7	×	12	=	84	–	–
1 Gomashta, 2nd Class	„ 40	×	12	=	480	–	–
					31,951	15	4

	Rs.	*a.*	*p.*			
Compensation for dearness of food for 115 men whose wages are under *Rs.* 10, at *Rs.* 10 per annum, each	1,150	–	–			
Material for repair of gear at 5 per cent. on cost price of 30 on—						
250 saddles	375	–	–			
Clothing of 117 men – at *Rs.* 2.8.	292	8	–		1,817	8 –
Purchase of 25 mules – at *Rs.* 150	3,750	–	–			
Clothing of 250 mules – at *Rs.* 2 each	500	–	–			
Cost of 25 new saddles – at *Rs.* 27 each	675	–	–		4,925	– –
				TOTAL	38,694	7 4

or *Rs.* 154-9 each mule per year.

The cost of maintaining a peace division of 250 pack-bullocks is:—

					Rs.	*Rs.*	*a.*	*p.*
Food						= 21,078	2	–
5 Jemadars	at	10	×	12	= 600			
10 Duffadars	„	8	×	12	= 960			
100 Drivers	„	6	×	12	= 7,200			
1 Weighman	„	6	×	12	= 72			
1 Peon	„	6	×	12	= 72			
1 Salutri	„	35	×	12	= 420			
1 Shoeingsmith	„	15	×	12	= 180			
2 Saddlers	„	12	×	12	= 288			
1 Carpenter	„	10	×	12	= 120			
1 Blacksmith	„	15	×	12	= 180			
1 Hammerman	„	6	×	12	= 72			
1 Bellowsman	„	7	×	12	= 84			
1 Gomashta, 2nd class	„	40	×	12	= 480			

	Rs.	*a.*	*p.*			
Compensation for dearness of food for 114 men at *Rs.* 10 per annum, each	1,140	–	–			
Material for repair of gear at *Rs.* 5 per cent. on cost price of 10	125	–	–			
Clothing of 117 men at *Rs.* 2-8	292	–	–			
Purchase of 25 bullocks yearly at *Rs.* 50 each	1,250	–	–			
Clothing of 200 bullocks at *Rs.* 2 each	500	–	–			
Cost of 25 new saddles at *Rs.* 10	250	–	–			
				3,557	8	–
TOTAL				35,363	10	–

or *Rs.* 141-7 each yearly.

The cost of maintaining a peace division of 100 camels is—

					Rs.	*Rs.*	*a.*	*p.*
Food						= 11,418	12	–
2 Jemadars	at	10	×	12	= 240			
4 Duffadars	„	8	×	12	= 384			
43 Surwans	„	6	×	12	= 3,096			
1 Carpenter	„	10	×	12	= 120			
Purchase of 10 camels					80 = 800			

	Rs.	*a.*	*p.*			
Compensation for dearness of provisions to 47 men drawing less than *Rs.* 10 per mensem, at *Rs.* 10 per annum each	470	–	–			
Clothing of 49 men at *Rs.* 2-8 each	127	8	–			
Renewal of 10 saddles yearly at *Rs.* 15 each	150	–	–			
Gear at 10 per cent. on cost price of *Rs.* 6	60	–	–			
Materials for repairs of saddlery at 5 per cent. on cost price of *Rs.* 15	75	–	–			
				882	8	–
TOTAL				16,941	4	–

or *Rs.* 169-6 each yearly.

The

The cost of maintaining a peace division of 50 army transport carts carrying 600 maunds—

		Rs.				Rs.	a.	p.
Feed of 100 bullocks						8,422	14	8
5 Jemadars	at	10	×	12	=	600	–	–
10 Duffadars	„	8	×	12	=	960	–	–
55 Drivers	„	6	×	12	=	3,960	–	–
1 Salutri	„	35	×	12	=	420	–	–
1 Shoeingsmith	„	15	×	12	=	180	–	–
1 Blacksmith	„	15	×	12	=	180	–	–
1 Hammerman	„	6	×	12	=	72	–	–
1 Bellowsman	„	6	×	12	=	72	–	–
1 Carpenter	„	10	×	12	=	120	–	–
1 Wheel-greaser	„	6	×	12	=	72	–	–
1 Gomashta, 3rd class	„	30	×	12	=	360	–	–
Material for repair of carts at *Rs.* 1-4 per mensem each, grease included						750	–	–
Purchase of 10 new carts at *Rs.* 250 each						2,500	–	–
Cost of 100 bullocks yearly at *Rs.* 50 each						500	–	–
						19,168	14	8
Compensation for dearness of food to 68 men at *Rs.* 10 each per annum		680	–	–				
Clothing for 76 followers at *Rs.* 2-8		190	–	–				
Clothing for 100 bullocks at *Rs.* 2 each		200	–	–				
						1,070	–	–
					TOTAL	20,238	14	8

or *Rs.* 404-10-3 each.

The cost of maintaining a peace division of 100 light carts carrying 600 maunds, is—

						Rs.	a.	p.
Feed of 1,000 mules						8,489	9	4
2 Jemadars	at	10	×	12	=	240	–	–
4 Duffadars	„	8	×	12	=	384	–	–
110 Drivers	„	6	×	12	=	7,920	–	–
1 Salutri	„	35	×	12	=	370	–	–
1 Shoeingsmith	„	15	×	12	=	180	–	–
1 Blacksmith	„	15	×	12	=	180	–	–
2 Saddlers	„	12	×	12	=	288	–	–
1 Hammerman	„	6	×	12	=	72	–	–
1 Bellowsman	„	6	×	12	=	72	–	–
1 Carpenter	„	10	×	12	=	120	–	–
1 Wheel-greaser	„	6	×	12	=	72	–	–
1 Gomashta, 3rd class	„	30	×	12	=	360	–	–
Material for repair of carts, including grease, at *Rs.* 1-4 per cart per mensem						1,500	–	–
Purchase of 10 new carts at *Rs.* 200 each						2,000	–	–
Purchase of 10 mules yearly at *Rs.* 150 each						1,500	–	–
Clothing of 116 men at *Rs.* 2-8 each						290	–	–
Clothing of 100 mules at *Rs.* 2 each						200	–	–
Compensation for dearness of food for 117 men at *Rs.* 10 each per annum						1,170	–	–
					TOTAL	25,526	9	4

or *Rs.* 254-3 each yearly.

The cost of officers to be added to the Commissariat Department will be—

	Per Mensem.	Per Annum.	Total.
	Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*
Officer at head of department with Army Commission rate of pay for Commissary General of Army Corps.	2,000 – –	24,000 – –	24,000 – –
Office estimated at - - - - - - - -	500 – –	6,000 – –	6,000 – –
			30,000 – –
Bengal Army:			
1 Deputy Commissary-General (Lieut. Colonel) - -	1,827 14 –	21,934 8 –	
1 Assistant Commissary-General, 1st class (Major) -	1,440 14 –	17,290 8 –	
1 Assistant Commissary-General, 2nd class (Major) -	1,240 14 –	14,890 8 –	
1 Deputy Assistant Commissary-General, 1st class Captain).	874 1 6	10,439 2 –	
1 Deputy Assistant Commissary-General, 2nd class (Captain.	774 1 6	9,289 2 –	
2 Sub-Assistant Commissary-Generals, 1st class (Lieuts.)	1,051 8 –	12,618 – –	
			86,511 12 –
Offices estimated at *Rs.* 250 × 7 - - - - -	1,750 – –	21,000 – –	21,000 – –
			1,07,511 12 –
Punjab Army:			
1 Assistant Commissary-General, 2nd class (Major) -	1,240 14 –	14,890 8 –	
1 Deputy Assistant Commissary-General, 1st class (Captain).	874 1 6	10,489 2 –	
1 Deputy Assistant Commissary-General, 2nd class Captain).	774 1 6	9,289 2 –	
			34,668 12 –
Offices estimated at *Rs.* 250 × 3 - - - - -	750 – –	9,000 – –	9,000 – –
			43,668 12 –
Bombay Army:			
1 Assistant Commissary-General, 1st class (Major) -	1,410 14 –	17,290 8 –	
1 Deputy Assistant Commissary-General, 2nd class (Captain).	774 1 6	9,289 2 –	
2 Sub-Assistant Commissary-Generals, 1st class (Lieuts.)	1,051 8 6	12,618 – –	
			39,197 10
Offices estimated at *Rs.* 250 × 4 - - - - -	1,000 – –	12,000 – –	12,000 – –
			51,197 10 –
Madras:			
1 Assistant Commissary-General, 1st class (Major) -	1,440 14 –	17,290 8 –	
1 Deputy Assistant Commissary-General, 1st Class (Captain).	874 1 6	10,489 2 –	
1 Deputy Assistant Commissary-General, 2nd class (Captain).	774 1 6	9,289 2 –	
2 Sub-Assistant Commissary-Generals, 1st class (Lieuts.)	1,051 8 –	12,618 – –	
			49,686 12 –
Offices estimated at *Rs.* 250 × 4 - - - - -	1,000 – –	12,000 – –	12,000 – –
			61,686 12 –
		Grand Total - - -	2,94,065 14 –

Warrant Officers.

		Per Mensem.	Per Annum.	Total.
Bengal:	*Rs.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*
1 Deputy Assistant Commissary - - -	at 300 =	300 – –	3,600 – –	
6 Conductors - - - - - -	„ 160 =	960 – –	11,520 – –	
9 Sub-Conductors - - - - -	„ 125 =	1,125 – –	13,500 – –	
				28,620 – –
Madras:				
1 Deputy Assistant Commissary - -	„ 300 =	300 – –	3,600 – –	
3 Conductors - - - - - -	„ 160 =	480 – –	5,760 – –	
4 Sub-Conductors - - - - -	„ 125 =	500 – –	6,000 – –	
				15,360 – –
Bombay:				
1 Deputy Assistant Commissary - -	„ 300 =	300 – –	3,600 – –	
2 Conductors - - - - - -	„ 160 =	320 – –	3,840 – –	
3 Sub-Conductors - - - - -	„ 125 =	375 – –	4,500 – –	
				11,940 – –
			Total - - -	55,920 – –

Total

Total of officers and warrant officers *Rs.* 3,49,985-14.

The cost of a cooly corps of 300 men would be—

		Rs.	*Rs.*	*a.*	*p.*
6 Sirdars - - - - - - - -	at	14 × 12 =	1,008	–	–
12 Mates - - - - - - - -	„	10 × 12 =	1,440	–	–
300 Coolies - - - - - - - -	„	8 × 12 =	28,100	–	–
Compensation at *Rs.* 10 per annum for 318 men	„	=	3,180	–	–
Clothing at *Rs.* 2-8 per annum each - - - - -			795	–	–
	TOTAL - - -		35,223	–	–

AMBULANCE.

The percentage of sick transport which the State should keep up is laid down in the memorandum made out by the Surgeon General, of which a copy is attached, at 5 per cent. for troops in the field.

2. This percentage, and the organization of bearer-columns as recommended in the memorandum, are adopted in this paper.

3. The Surgeon General, however, has dealt only with Bengal, including the Punjab; and his proposals, so far as the number of bearers to be maintained is concerned, are based on the numbers at present employed by Government; and for Bengal, including the Punjab, he allots a bearer-column to each military division or district, which gives a strength of sick transport in doolies and dandies to meet the requirements of 20,000 to 25,000 men.

But the numbers of bearers hereforе employed have been scattered over India, and have been, like other transport, of an unorganised character, and it does not follow that the same number will be required when the service is placed on an organised footing.

The consideration of the amount of sick transport to be maintained should not be based on the means at disposal of Government, but just as army transport should be regulated by the number of troops to be held in readiness to move, so should the strength of sick transport be regulated.

4. It is evident also that supposing sick transport to be maintained for say, 10,000 troops in each army corps area, that if there is a necessity for concentrating troops in any one area, the sick transport of that area is available, and also at least ⅔ of the sick transport of the other army corps, and that in this way in a very short time sick transport for 30,000 men could be collected at any point.

This mobile character of sick transport should enter largely into the consideration of the amount required for the different army corps. The frontiers, as in the case of army transport, being considered separately.

5. The sick transport, like army transport, must be under the supreme control of the military commanders; but its organization and administration in every respect should rest entirely with the Army Medical Department.

The Surgeon General proposes to frame rules for the training and working of the bearer-columns; all that is necessary in this paper is to ascertain the numbers required and estimate the cost.

6. The troops required to be held in readiness to move at any moment are the troops guarding the frontiers.

These consist of—

(*a.*)—The Punjab Frontier Force, which will be equipped with half transport and be ready to move. The strength of the troops thus held in readiness is equal to ½ the Punjab Frontier Force, viz:—

	Men.
6 Regiments Native Infantry, or - - - - - -	4,200
3 „ Native Cavalry - - - - - -	1,350
2½ Mountain Batteries - - - - - - -	375
TOTAL - - -	5,925

For this strength 5 per cent. sick transport is required as follows :—

2 per cent. Doolies.
1 „ „ Dandies.
2 „ „ Camels with kajawahs, viz. :—

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Camels.	Jemadars.	Duffadars.	Surwans.
10	20	960	120	60	60	1	2	30

Surwans for camels for sick transport are allowed at 1 to 2 camels.

This sick transport may conveniently be divided into five bearer columns of about 200 bearers, each with proportion of camels and establishment at the five larger stations held by the Punjab Frontier Force.

(*b.*)—One half of the troops in the Eastern Frontier is—

2 Regiments Native Infantry, or - - - - - - 1,400 men.

These are to be equipped with 5 per cent. sick transport, viz. :—

2 per cent. Doolies,
1 „ „ Dandies,
2 „ „ Mules or ponies,

as follows:—

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Mules or Ponies.	Jemadars.	Duffadars.	Drivers.
2	4	224	28	14	28	- -	- -	14

Mule-drivers for sick transport are allowed at 1 to 2.

This sick transport may be left as one bearer column.

(*c.*)—One half of the troops in Burma is—

	Men.
1 British Infantry, or - - - - - - - -	900
2½ Native - - - - - - - - -	1,750
1 Mountain Battery - - - - - - - -	150
½ Company Sappers - - - - - - - -	60
TOTAL - - -	2,860

The requirements are—

2 per cent. Doolies,
1 „ „ Dandies,
2 „ „ Mules or ponies,

as follows:—

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Mules or Ponies.	Jemadars.	Duffadars.	Drivers.
5	9	464	58	29	58	- -	1	29

or two bearer columns.

(*d.*)—One half of the troops in Sind is—

	Men.
1 British Infantry, or - - - - - - - -	900
1½ Regiments Native Infantry, or - - - - - - -	1,050
1½ Batteries, or - - - - - - - - -	255
1 Native Cavalry, or - - - - - - - -	450
TOTAL - - -	2,655

whose

whose requirements are—

2 per cent. Doolies,
1 „ „ Dandies,
2 „ „ Camel kajawahs,

as follows :—

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Camels.	Jemadars.	Duffadars.	Surwans.
4	9	432	54	27	27	- -	1	14

or two bearer columns.

7. The following table shows the total of sick transport required to equip the troops guarding the frontiers ; one warrant officer of the Army Medical Department being added to each bearer column :—

	Number of Bearer Columns.	Warrant Officers.	Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Camels with Kajawahs.	Mules or Ponies.	Camel Attendants.			Mule Attendants.		
										Jemadars.	Duffadars.	Surwans.	Jemadars.	Duffadars.	Drivers.
(*a.*)—Punjab Frontier - -	5	5	10	20	960	120	60	60	-	1	2	30	-	-	-
(*b.*)—Eastern Frontier - -	1	1	2	4	224	28	14	-	28	-	-	-	-	1	14
(*c.*)—Burma - - - - -	2	2	5	9	464	58	29	-	58	-	-	-	-	1	29
(*d.*)—Sind - - - - -	2	2	4	9	432	54	27	27	-	-	1	14	-	-	-
TOTAL - - -	10	10	21	42	2,080	260	130	87	86	1	3	44	-	2	43

8. The following query now remains for consideration : —

How much sick transport should be maintained with each army corps ?

The reply to this query is this—At least so much must be maintained as will admit of—

(A.) The equipment of the number of fighting men which it is considered necessary to hold in readiness for concentration within each army corps area.

(B.) The equipment of the number of fighting men it is considered necessary to be in a position to concentrate at a seaport.

These numbers have been stated in the scheme for army transport, and have received the approval of His Excellency the Commander in Chief.

The reply to query (A) is therefore—

	Men.
Punjab Army - - - - - - - - - -	10,000
Bengal „ - - - - - - - - -	10,000
Bombay „ - - - - - - - - -	8,000
Madras „ - - - - - - - - -	5,000

The reply to query (B) is—10,000 men should always be ready for concentration at a seaport.

9. In the memorandum of the Surgeon General the description of sick transport for military operations other than on the frontier is given as—

Doolies, dandies, and wheeled conveyances, *i.e.*, ambulance carts ;

And in making provision for the above requirements, the mobile character of all such transport very largely affects the question.

 10. The

10. The following is the sick transport required for 10,000 men, calculating at 2 per cent. doolies, 1 per cent. dandies, 2 per cent. ambulance carts, carrying four men each :—

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Ambulance Carts.	Bullocks.	Jemadars.	Duffadars.	Drivers.
16	32	1,600	200	100	50	100	5	10	50

11. It has already been pointed out that $\frac{2}{3}$ of the sick transport of each army corps is available for movement by rail to another army corps area or to a seaport.

In the case of concentration of troops within any army corps area, the whole of the sick transport of that area is available, plus $\frac{2}{3}$ of each of the other three.

In the case of concentration of troops at a seaport, the whole of the sick transport is not available from any single area, but $\frac{2}{3}$ of the sick transport of each army corps is all that is available. This then is the maximum requirement, and if $\frac{2}{3}$ of the sick transport of the four army corps when concentrated is equal to the requirements of 10,000 men, this would cover the strength of sick transport which the State should keep up.

12. The following table shows the amount of sick transport to be kept up :—

	Number of Bearer Columns.	Warrant Officers.	Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Ambulance Carts.	Jemadars.	Duffadars.	Drivers.	Bullocks.
Bengal Army	3	3	7	15	730	90	45	20	2	4	20	40
Add 10 per cent.	–	–	1	1	73	–	–	–	–	–	2	4
Balance of equipment for 10,000 men and 10 per cent.	–	–	–	–	–	130	65	35	–	–	–	–
TOTAL Bengal	3	3	8	16	803	220	110	55	2	4	22	44
Punjab Army	3	3	7	15	730	90	45	20	2	4	20	40
Add 10 per cent.	–	–	1	1	73	–	–	–	–	–	2	4
Balance of equipment for 10,000 men and 10 per cent.	–	–	–	–	–	130	65	35	–	–	–	–
TOTAL Punjab	3	3	8	16	803	220	110	55	2	4	22	44
Bombay Army	3	3	6	12	580	72	36	16	2	3	16	32
Add 10 per cent.	–	–	1	1	58	–	–	–	–	–	2	4
Balance of equipment for 8,000 men and 10 per cent.	–	–	–	–	–	104	52	28	–	–	–	–
TOTAL Bombay	3	3	7	13	638	176	88	44	2	3	18	36
Madras Army	2	2	4	7	360	44	22	11	1	2	11	22
Add 10 per cent.	–	–	–	1	36	–	–	–	–	–	1	2
Balance of equipment for 5,000 men and 10 per cent.	–	–	–	–	–	66	33	17	–	–	–	–
TOTAL Madras	2	2	4	8	396	110	55	28	1	2	12	24
GRAND TOTAL	11	11	27	53	2,640	726	363	182	7	13	74	148

The

The supervising element has been made slightly stronger in proportion to the numbers than laid down by the Surgeon General. This is necessary, as in case of the concentration of $\frac{2}{3}$ of the sick transport of any army corps, the remaining $\frac{1}{3}$ must be the nucleus which would be at once recruited and raised to full strength, and the staff of this nucleus must be complete. Ten per cent. spare all round has been added, and Government should have within each army corps area the full equipment with 10 per cent. spare for the full strength of the troops likely to be concentrated within it, so that if concentration became necessary, the bearer-columns would be sent complete, and find equipment in doolies, dandies and carts ready for them.

These have been added in the table above.

13. The following table shows the totals of the $\frac{2}{3}$ sick transport of each army corps when concentrated.

Equipment is not entered as provision has been made for it within each army corps area.

	Number of Bearer-columns.	Warrant Officers.	Sirdars.	Mates.	Bearers.	Bullocks.	Jemadars.	Duffadars.	Drivers.
Bengal	2	2	3	11	535	30	1	3	15
Punjab	2	2	3	11	535	30	1	3	15
Bombay	2	2	5	9	425	24	1	2	12
Madras	1	1	3	5	265	16	–	1	8
TOTAL	7	7	14	36	1,760	100	3	9	50

This is sick transport, with 10 per cent. spare, of bearers for 10,000 men.

14. The total ambulance it is proposed to maintain in India is given in the following table:—

	Number of Bearer-columns.	Warrant Officers.	Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Camels with Rajawahs.	Mules or Ponies.	Camel Attendants.			Mule Attendants.			Ambulance Carts.	Bullocks, Draught.	Bullock Attendants.		
										Jemadars.	Duffadars.	Surwans.	Jemadars.	Duffadars.	Drivers.			Jemadars.	Duffadars.	Drivers.
Frontier Forces	10	10	21	42	2,080	260	130	87	86	1	3	44	–	2	33	–	–	–	–	–
Army Corps	11	11	27	53	2,640	726	363	–	–	–	–	–	–	–	–	182	148	7	13	74
TOTAL	21	21	48	95	4,720	986	493	87	86	1	3	44	–	2	33	182	148	7	13	74

15. The capabilities of this scheme for sick transport are—

(*a.*)—It provides sick transport for all the troops that are ready to move to protect the different frontiers.

(*b.*)—It provides for sick transport for 10,000 men capable of concentration at any point, leaving a nucleus for expansion of half of its full complement with each army corps and leaving the frontier troops equipped.

(*c.*)—It provides full equipment for 10,000 men in each of the army corps of Bengal and Punjab, and 8,000 men in Bombay, 5,000 men in Madras.

The total cost is, yearly, *Rs.* 3,61,899. 12.

16. The following are the calculations :—

	Rs.	a.	p.	Rs.	a.	p.
21 Warrant officers, estimated at an average of Rs. 100 each = 2,100 × 12				= 25,200	–	–
48 Sirdars at 9 × 12	= 5,184	–	–			
95 Mates „ 7 × 12	= 7,980	–	–			
4,720 Bearers „ 5 × 12	= 2,83,200	–	–			
				2,96,364	–	–
Good conduct pay at Surgeon General's estimate of Rs. 1 per man yearly				4,863	–	–
Clothing at ditto				4,863	–	–
Corps badges ditto				4,863	–	–
Maintenance of 87 camels, at Rs. 169-6-0 each	= 14,773	2	–			
Maintenance of 86 mules, at Rs 154-9 each	= 13,292	6	–			
Maintenance of 67 carts, at Rs. 403-12 each	= 27,051	4	–			
				55,116	12	–
Compensation for dearness of provisions for 4,983 men at Rs. 10 each per annum				49,830	–	–
				4,41,099	12	–
From this sum, the following may be deducted on account of punkah-pulling, &c., of the men employed with the army corps, 2,640 men at Rs. 5 per mensem for 6 months				79,200	–	–
TOTAL				3,61,899	12	–

The nomenclature at present in use of sirdars, mates and bearers has been retained in preference to those used in the memorandum of the Surgeon General.

From Colonel *Mylne*, Commissary General, Calcutta, to the Secretary to the Government of India, Military Department, No. 387, dated Calcutta, the 13th January 1882.

WITH reference to Military Department No. 1587 S. D. ($\frac{\text{Commissariat}}{\text{Transport}}$), dated 13th October 1881, I forwarded with my No. 294, dated 11th January 1882, letter No. 948, dated 27th December 1881, and accompaniments from Lieutenant-Colonel Low, C.B., Deputy Commissary General for Transport, submitting his revised scheme for a permanent transport establishment for all India. I now forward nine spare copies with the following remarks.

2. It will be noticed that the transport to be maintained has been calculated on the Kabul or cold weather service scale, while the requirements when troops are equipped with large tents which will be supplied during operations in hot temperatures, will be considerably in excess, and to this extent the permanent transport will not be sufficient to move 10,000 men, as stated in the extract per margin of Section B. of Lieutenant-Colonel Low's "Outline of the scheme," and again referred to in paras. 2 and 3, section 1 of the outline. Until detailed equipment tables are prepared, showing what quantity of transport is required at the authorised scales for hot and cold temperatures of equipment, any calculations of the transport to be maintained and its cost must be unreliable.

Of this collective strength of 33,000 men, 10,000 could, under this scheme, be equipped with mobile transport, and moved to a distant point or seaport, leaving the frontier fully protected.

3 Government having decided to maintain an establishment of 600 elephants for all India, it is unnecessary to allude to the proportion of this description of transport proposed to be maintained, and, as regards its distribution in the Bengal Presidency, this can hereafter be determined* as experience may show to be expedient.

* *Vide* Government, Military Department, No. 1396 D($\frac{\text{Commissariat Department}}{\text{Transport.}}$) dated 28th December 1881, stating that a revised distribution is under consideration.

4. I would

4. I would, with reference to para. 4 of section I (copy per margin) of the outline showing the comparative cost of each class of transport, suggest whether the cheapest, viz., army transport carts, could not be more largely introduced, more especially in localities with *special facilities for its employment*, pack transport in a larger proportion being allotted to localities (Saugor and Jubbulpore, for instance) where wheeled transport is not suitable, at least during the rains.

The different yearly cost of the various description of Transport is—

				Rs.	a.	p	Rs.	a.	p.	
Each elephant carries	15	mds.,	costs yearly	1,200	–	–	or 80	–	–	per md.
„ Camel	„ 5	„	„ „	169	6	–	33	14	–	„ „
„ Mule	„ 2	„	„ „	154	9	–	77	4	6	„ „
„ Pack-bullock	„ 2	„	„ „	141	7	–	70	11	6	„ „
„ A.T. cart	„ 12	„	„ „	404	10	3	33	11	6	„ „
„ Light cart	„ 6	„	„ „	255	4	3	42	8	8	„ „

5. In Lieutenant Colonel Low's remarks in favour of a properly constructed army transport cart I quite concur. The carts must be Government property, as owners of hired carts will not separately employ carts and cattle, and this is an essential feature in a scheme including wheeled transport as a portion of the permanent establishment. If therefore Government construct its own carts they should be made on the best principle and with the greatest tractive advantages, which country carts certainly do not possess.

6. Lieutenant Colonel Low's remark in para. 5, page 3, that "Government does not now contemplate maintaining any hired transport," is not understood, as in the last para., page 3, of Government No. 1587, it is stated that "camels should not be rejected in favour of mules," and it is not supposed that Government but hired camels are here meant; yet only 978 camels are provided in Lieutenant Colonel Low's scheme for the Bengal Presidency, and these apparently are to be Government property. In my opinion it would be a mistake to maintain an establishment of Government camels, except those attached to the Punjab Frontier Force which, for special reasons, are not hired; and I further consider that the transport should consist of a larger proportion of hired camels which are in the North-West and Punjab more generally available than any other class of carriage, and the cheapest, averaging from 6 to 7 rupees per month (including full and graze rates of hire) against 14 rupees per month for Government camels (exclusive of cost of purchase), the comparison with mules and pack-bullocks being even more favourable.

7. If hired camels are employed, the terms should specify rates for internal service peace, and war and external war service, for which specially high rates should be fixed and no compensation for losses. It is out of the question to suppose that an army of more than 10,000 men could be placed and maintained in the field without largely using camels, and, though it is not the description of carriage to be desired for service beyond the frontier, it would be unavoidable to employ it if a very large amount of carriage were needed. It therefore seems necessary to have a small hired establishment of camels which would be increased for war requirements upon the terms on which the peace establishment is maintained. In these remarks I do not mean that chowdries for large areas should be employed, but for each station the camels of one thakedar would be engaged and payment made to him, and the terms of his agreement would require him to double his supply if required.

8. I would now invite attention to the subjoined abstract of the transport proposed by Lieutenant Colonel Low to be maintained for the Bengal Presidency.

ABSTRACT of Transport proposed by Lieutenant Colonel *Low*.

TRANSPORT FOR	DESCRIPTION OF TRANSPORT AND NUMBER.							MAUNDS.							TOTAL Maunds.	REMARKS.
	Elephants.	Camels.	Mules or Ponies.	Pack-bullocks.	Carts, Army Transport.	Carts, Light.	Coolies.	Elephants.	Camels.	Mules or Ponies.	Pack-bullocks.	Carts, Army Transport.	Carts, Light.	Coolies.		
A brigade of all arms in Punjab, half transport.	–	236	310	–	–	33	–	–	1,180	590*A*	–	–	60*A*	–	1,830*	*A*.—Weight for 15 mules and 23 light carts not included in maundage.
Punjab Frontier Force, half transport.	–	380	1,717	–	–	100	–	–	1,900	3,382*B*	–	–	480 *B*	–	5,762†	*B*.—Weight for 26 mules and 20 light carts not included.
Eastern Frontier Force, half transport.	46	–	456	–	–	–	–	690	–	876*C*	–	–	–	–	1,566‡	*C*.—Weight for 18 mules not included.
For depôts and Out-stations.																
Rawul Pindi Depôt and out-stations.	40	38	100	–	–	–	–	600	190	200	–	–	–	–	990	
Lahore (Meean Meer) and out-stations.	58	50	–	–	–	–	–	870	250	–	–	–	–	–	1,120	
Meerut and out-stations.	30	100	250	–	30	–	–	450	500	500	–	360	–	–	1,810	
Agra and out-stations	25	100	–	–	28	–	–	375	500	–	–	336	–	–	1,211	
Lucknow and out-stations.	96	74	–	–	–	–	–	1,440	370	–	–	–	–	–	1,810	
Allahabad and out-stations.	16	–	–	400	80	–	–	240	–	–	800	960	–	–	2,000	
Calcutta and out-stations.	54	–	–	–	80	–	–	810	–	–	–	960	–	–	1,770	
Shillong and out-stations.	40	–	450	–	–	–	300	600	–	900	–	–	–	150	1,650	
TOTAL - - -	405	978	3,283	400	218	133	300	6,075	4,890	6,448	800	2,616	540	150	21,519	

* Colonel Low shows a total of 1,722 only, which is believed to be a clerical error.
† " " " 6,492, which is believed to be a clerical error.
‡ " " " 1,534 " " " "

9. Compared with the above is subjoined the establishment hitherto maintained for troops attached and not attached to moveable columns :—

DESCRIPTION OF TRANSPORT.	Proposed by Lieutenant Colonel Low.	HITHERTO MAINTAINED.			REMARKS.
		For Troops attached to Moveable Columns.	For Troops not attached to Moveable Columns.	TOTAL.	
Elephants - - - - - -	405	597	199	796*A*	*A*.—Exclusive of 118 elephants for camps and State purposes of Viceroy and Commander in Chief, used, however, for Army Transport purposes.
Camels, Government - - -	978	—	—	—	
" hired - - - - -	- - -	4,248	2,559	6,807	
Mules or ponies - - - -	3,283	1,333 *B*	20	1,353	*B*.—Exclusive of 60 (Government) mules at Landour, 143 (Government) at Ranikhet, 344 (hired) in the Kasauli Hills, and 170 (hired) at Chakrata for water supply.
Pack-bullocks - - - -	400	964	- - -	964	
Army Transport Carts - - -	218	- - -	26 with 52 bullocks.	26	
Light carts - - - -	133	—	—	—	
Coolies - - - - - -	300	—	—	—	
		This does not include Naga Hills, where transport was not formerly maintained, but now provided for in Lieutenant Colonel Low's scheme.			

10. The

10. The maundage the establishment proposed and formerly maintained, represents, and cost, at Lieutenant-Colonel Low's calculation are as follows:—

		Maundage.				Cost.					
		Proposed by Lieut.-Colonel Low.		Formerly Maintained.		Annual.			Proposed by Lieut.-Colonel Low.		Formerly Maintained.
	Mds.	*No.*	*Mds.*	*No.*	*Mds.*	*Rs. a. p.*	*Per*		*Rs. a. p.*		*Rs. a. p.*
Elephants - at	15	405	6,075	796	11,940	80 - -	*Md.*		4,86,000 - -		9,55,200 - -
Camels, Government - „	5	978	4,890	-	-	33 14 -	-		1,65,648 12 -		—
Camels, hired „	5	-	-	6,807	34,035	(*a*)15 9 7	-		- - -		5,30,910 8 9
Mules or Ponies „	2	3,283	(*b*)6,448	1,353	2,706	77 4 6	-		4,98,309 8 -		2,09,123 1 -
Pack-bullocks „	2	400	800	964	1,928	70 11 6	-		56,575 - -		1,36,345 12 -
Army Transport Carts - „	12	218	2,616	26	312	33 11 6	-		88,208 4 -		10,520 4 -
Light Carts - „	6	133	(*b*) 540	-	-	42 8 8	-		22,972 8 -		—
Coolies - - „	½	300	150	-	-	- -	-		(*c*)35,223 - -		—
Total - - -		-	21,519	-	50,921	- -	-		13,52,937 - -		18,42,099 13 9

(*a*.)—Monthly average *Rs.* 6-8 each = *Rs.* 78 per year 5/15-9-7.

(*b*)—Exclusive of maundage for 15 + 26 + 18 = 54 mules, and 23 + 20 = 43 light carts—*vide* remark in first statement, viz., abstract of transport.

(*c*)—Page 20 of Lieutenant-Colonel Low's outline.

11. It will be seen that Lieutenant-Colonel Low's scheme gives a maundage of 21,519 maunds at a cost of 13,52,937 rupees, while a maundage of 50,921 maunds has hitherto been maintained at a cost of 18,42,099 rupees, or at an outlay of only 4,89,162 rupees more for nearly double the quantity of maundage. It may therefore be accepted that a larger proportion of maundage is required for the Bengal Presidency and of a description which can be increased without exceeding the cost of the transport hitherto maintained.

12. In the cost of the transport hitherto maintained, the expenditure in keeping up 203 Government and 514 hired mules for water supply is not included, and Lieutenant-Colonel Low, in paragraph 20, says that extra animals for water duties have not been provided, as he proposes meeting these requirements from the Army Transport Establishment. How this would be practicable is not, however, apparent, as the number required for water and departmental purposes in the hills and the mules or ponies that will be available under the scheme are—

Required.	
Cheerat	400
Murree	400
Kasauli Hills	344
Chakrata	170
Landour	60
Ranikhet	143
Total	1,517

Available.	
Brigade of all arms in Punjab	310
Rawul Pindi	100
Meerut	250
Total	660

The 1,717 mules with the Punjab Frontier Force, it is presumed, would not be available, and the 456 attached to Eastern Frontier Force and 450 to the Shillong depôt certainly would not be.

13. In addition, therefore, to the estimated cost of the transport proposed to be maintained by Lieutenant-Colonel Low, further expenditure for animals for water supply and departmental requirements at hill stations would have to be incurred, and the necessity for this should be admitted, and the animals included in the scheme, whereby a large increase to the transport would be attained at a cost not exceeding what is at present expended for the purpose.

14. The proposal to attach 456 mules or ponies to the Eastern Frontier Force and 450 to the Shillong Depôt (in all 906 mules), besides 86 elephants and 300 coolies, I consider open to modification. The country, no doubt, presents serious difficulties in moving troops, but the occasions requiring troops to take the field are remote and unimportant, while the cost of transport as a permanent establishment is quite out of proportion to the circumstances. In Section VII., page 20, Colonel Low shews the yearly cost of a mule at 84-14-4 rupees (*vide* margin). In Assam and Naga the cost would be considerably more as reported to Government in Commissary General's No. 1273, dated 5th September 1873 (extract attached), and the cost of 906 mules would, I anticipate, be very much more than calculated at Colonel Low's general average.

The cost of feeding a mule is from information similarly obtained—

	Rs.	*a.*	*p.*	
Bengal - - -	54	1	6	yearly
Madras - - -	108	–	–	„
Bombay - - -	92	9	5	„
	3)254	10	11	
	84	14	4	each.

15. Again, for such localities as Saugor and Jubbulpore, I see no reason why hired pack bullocks, the hire of which averages about three rupees each a month, should not be employed in preference to keeping up a Government establishment. In short, Government carriage should be allotted only to localities where the probabilities of field operations are more frequent, and require means of moving troops to be immediately available.

16. The establishments I consider it unnecessary to refer to, as in the event of Government not approving of the general grounds of the scheme, the establishments will doubtless have to be modified.

17. The establishment of sick carriage to be maintained appears to have been proposed in communication with the Surgeon General, and his review on this portion of the scheme would be of more value than any remarks by me.

18. I have forwarded copies of the scheme to the Commissaries General, Bombay and Madras, in anticipation of any report that may be required from them by the Government of India regarding the transport proposed for their Presidencies.

EXTRACT, paras 4 and 5, of Commissary General's No. 1273, dated 5th September 1873, to the Secretary to the Government of India, Military Department.

PARA. 4. As the remarks I am invited to offer may be intended to extend to the proposed substitution of mule for elephant carriage for the regiment at Shillong, I would state that whatever may be the value of mule carriage in the hills, it is understood to be of little use in the plains of Assam, and for this reason the mules of the Assam Mountain Battery when the corps was broken up were not retained for the Eurasian Battery—*see* Military Department No. 271, dated 10 November 1868.

5. The cost of mules would also be out of all proportion to the cost of elephants. In 1869 Brigadier-General Bourchier, Commanding the Eastern Frontier District, requested, for the information of his Excellency the Commander in Chief, a comparative statement of the monthly cost of mules and elephants. It was furnished to him with my letter No. 3801, dated 31st August 1869, and showed that the average monthly cost of the feed and keep of a mule attached to the Assam Mountain Battery was—

At Shillong	from *Rs.* 19	to *Rs.* 22	-	-	according to description
„ Debrooghar	„ 15	„ 18	-	-	of gram given.

This, however, included the best of drivers and muleteers, whereas for ordinary baggage mules, muleteers and syces alone would be required, and the scale of gram would be less. The average cost, it may therefore be assumed, would be not

not less than 14 rupees at Shillong. The average cost of the feed and keep of an elephant was stated to be—

At Shillong - - - - - - - - - -	*Rs.* 30
„ Debrooghar - - - - - - - - - -	„ 37

and as six mules would be the equivalent of an elephant, the comparative cost of mule and elephant equivalent would be as 84 rupees to 30 rupees, or leaving a liberal margin as 75 rupees to 40 rupees.

From Colonel *G. Chesney*, Secretary to the Government of India, Military Department, to the Commissary General, No. 207 D., dated the 19th January 1882.

I AM directed to acknowledge the receipt of your letter No. 387, dated 13th January 1882, giving cover to Lieutenant-Colonel Low's revised scheme for a permanent transport service for all India.

2. In your No. 294, dated 11th January 1882, you refer to the delay which is likely to occur in the preparation of your review of this scheme, and this review is now submitted in the above letter first quoted.

3. From this correspondence and from the general tenor of your review it is understood that the various points therein referred to have not been personally discussed between yourself and Colonel Low.

4. For instance, in para. 6 of your letter No. 387, dated 13th January, you observe that the proposals of the Deputy Commissary General for transport in regard to hired carriage are "not understood," and the foot-note to the statement at para. 8 points out certain items which are "believed to be clerical errors." All these and such like matters should, however, have been pointed out to Lieutenant-Colonel Low himself in the first instance. To carry on the business in this way is to lose sight of the main object for which he was directly associated with you as a Deputy Commissary General.

5. It further appears from your criticisms that not only have minor matters in connection with the transport scheme not received personal discussion with yourself and Lieutenant-Colonel Low, but that also you are in considerable disagreement on the main points at issue in his plan.

6. Thus, in para. 11 of your letter, you point out that a larger proportion of maundage is required for Bengal than that proposed by Lieutenant-Colonel Low, and in paras. 12 and 13 you say it is not apparent how extra animals for water duties are to be provided, and that if provided, further expenditure will have to be incurred, the necessity for which should be admitted and estimated for at a cost not exceeding what is at present expended for that purpose.

7. Without going into any further details of the scheme, it will suffice to observe that the foregoing matters point to the fact that Colonel Low's scheme in its present shape is not sufficiently well considered for the Government of India to invite the final opinion of His Excellency the Commander-in-Chief thereon; and I am to point out for your particular attention that one of the first conditions necessary for the proper consideration of this scheme is that it should be submitted to Government only after every point of detail has received your careful review, not as an ordinary official communication, but in close personal discussion with the Deputy Commissary General for transport.

8. It appears to the Government of India that this scheme cannot be properly dealt with until you and Lieutenant-Colonel Low are in accord in the main features, and general details of the transport of the future.

9. On points regarding which you cannot agree, the Government of India will finally arbitrate between your conflicting opinions, it being understood that the most complete information be afforded as to the reasons which may have led to such disagreement.

10. Considering the many doubtful points in this scheme and that it has been, as yet, neither sanctioned nor finally considered, I am to say that the Government of India consider that it was quite premature to have forwarded copies of it to the Commissaries General of Madras and Bombay, and I am to ask that they be now requested not to take any action upon it.

No. 460 C., dated Fort William, 27th December 1881.

From Major General *C. M. Macgregor*, Quarter Master General in India, to the Secretary to the Government of India, Military Department.

I. The Punjab Frontier Force.
II. A part of the army stationed in the Punjab.
III. The force in Sind.
IV. The force on the Eastern and South-Eastern Frontier.
V. The force in Burma.

WITH reference to the Resolution of the Government of India, contained in Military Department, No. $\frac{1587 \text{ S.}}{\text{D.}}$ $\frac{\text{"Commissariat"}}{\text{Transport}}$, dated 13th October 1881, that half regimental carriage is to be maintained for the troops marginally detailed, I am desired by his Excellency the Commander-in-Chief to state that the above is the scale now maintained for the Punjab Frontier Force.

2. With regard to "a part of the army stationed in the Punjab," his Excellency is of opinion that this should consist of the equivalent of two strong brigades fully equipped, *i.e.*, four brigades with half carriage; and that these should be taken from the Peshawar district, and the Rawal Pindi, Lahore, and Sirhind divisions, one brigade from each, and be composed as follows:—

1 Mountain Battery (British).
1 Regiment British Infantry.
1 „ Native Cavalry.
3 Regiments Native Infantry.
1 Company Sappers and Miners.

3. The troops above detailed would be taken from stations of the district and divisions named, so as not to denude any point which it is obligatory to garrison permanently; and if the proposal meets with the approval of Government, the several batteries and regiments to be equipped can at once be named.

4. A reply has not as yet been received from Government to the inquiry made in this office No. 249C, dated 14th December current, as to whether the "Force in Sind," for which half regimental carriage is to be maintained, is to include the Quetta district also; but, whatever may be the decision of Government on this point, it appears to Sir D. Stewart that it will be necessary to maintain a moveable column at Quetta of the following:—

½ Mountain Battery.
½ British Infantry Regiment.
1 Native Infantry Regiment.
1 Squadron Native Cavalry.

And that these troops should be provided with full carriage, and also transport for five days' provisions. His Excellency is further of opinion that the outposts at Sharigh, Khush-dil-Khan, and Gulistan should also have carriage to enable half of the garrison of each to move out with 200 rounds per man, one day's supplies, and with blankets.

These wants having been supplied, the remainder of the carriage allowed for Sind might be allotted as considered best by his Excellency the Commander-in-Chief, Bombay Army.

5. With regard to the Eastern Frontier, Sir D. Stewart is of opinion that it will be better to include a consideration of its requirements in his Excellency's General Report of his recent tour in Assam, as the transport required for this frontier will be quite different from that necessary for all other districts.

6. With reference to the force in Burma, the Government of India may consider it desirable to obtain direct the views of the Madras Government on the subject.

COPY of a Letter from Lieutenant Colonel *R. C. Low*, C.B., Deputy Commissary General, Transport, to Colonel *W. C. R. Mylne*, Commissary General, Bengal, No. 1153, dated 26th January 1882.

I HAVE the honour to report, for the information of Government, that the following reductions have been effected on the Quetta line up to the 15th instant, and since 28th November 1881:—

4,255 Bullocks,		
210 Indifferent Ponies,		have been sold.
10 ,, Yaboos,		
275 Donkeys,		

Supervising Establishment, British and Native -	82	have been settled up with and discharged.
Drivers - - -	1,814	

2. The office establishments have been reduced by 2,500 rupees per month.

3. The total amount realised by sales of above was *Rs.* 77,033. 11. 6, which has been duly credited to Government.

4. Further sales and discharges are in progress, and will continue till the transport for Quetta and its outposts is reduced to the amount lately settled as the allotment for the present, viz., till it is reduced to 2,000 mules, 50 ponies, 50 camels, 550 bullocks.

Arrangements have been made by which no rations will be drawn by any one in the Transport Service at Sibi, but so soon as they march up either the Bolan or Hurnai routes, they will be provided with rations on the Bengal scale.

No. 1087, dated Fort William, 3rd February 1882.

Endorsed by the Commissary General.

FORWARDED to the Secretary to Government of India, Military Department, in continuation of para. 10 of No. 931, dated 21st December, and para. 2 of No. 965, dated 28th December 1881, from Deputy Commissary General for Transport, submitted with this office Nos. 8186 and 123, dated respectively 23rd December 1881, and 7th January 1882.

No. 1196, dated Calcutta, 6th February 1882.

From Colonel *W. C. R. Mylne*, Commissary General, Bengal, to Colonel *G. Chesney*, Secretary to the Government of India, Military Department.

WITH reference to your No. 207D, $\frac{\text{Commissariat Department}}{\text{Organisation.}}$, dated 19th January 1882, I have the honour to state that, having personally discussed with Lieutenant Colonel Low the main points of his scheme, he has now revised it to accord with our common views.

2. The revised scheme (forwarded with his No. 1156, dated 26th January 1882, received by me on the 1st February 1882) I beg to attach; and for convenience of all concerned in dealing with it, I shall abstain from all reference to previous papers, and frame my remarks on the paper now submitted as the one alone to be considered.

3. The details of his calculations I am not in a position, nor do I suppose I am expected, to substantiate.

4. Lieutenant Colonel Low, in para. 10 of his No. 1156, explains that for frontier forces he has calculated on Kabul scale, and for other corps on Kabul scale *plus* carriage for European private tents for the European portion. This

will, I think, meet the order of Government in last para., page 3, of Military Department No. 1587S.D, $\frac{\text{Commissariat}}{\text{Transport.}}$, dated 13th October 1881, that the transport must be sufficient for troops serving in hot as well as cold temperatures; and when detailed equipment tables are prepared for corps of frontier forces on Kabul scale, and for other corps on Kabul scale, *plus* transport for European private tents for the European portion, it will be practicable to test the correctness of the quantity of transport proposed to be maintained to move 13,000 men on hot weather scale, or 10,000 with 10 days' supplies of food; *vide* clause B, page 1, and clause C, page 2, of Outline of Scheme.

5. In discussing the intention of Government in respect to maintaining part hired and part Government carriage, or the latter only, it was arranged that Lieutenant Colonel Low should personally inquire whether it was intended that *only transport the property of Government* is to be maintained, and he informs me that it was so. This being the case, although our views are entirely in favour of camels and pack-bullocks being hired where these form part of the scheme, instead of being the property of the State, Lieutenant Colonel Low has acted on the intimation that it is the intention of Government to maintain only transport its own property.

6. Subjoined is an abstract of the transport proposed by Lieutenant Colonel Low to be maintained for the Bengal Presidency:—

Transport for	Description of Transport and Number.							Maunds.							Total Maunds.	Remarks.
	Elephants.	Camels.	Mules or Ponies.	Pack Bullocks.	Carts, Army Transport.	Carts, Light.	Coolies.	Elephants.	Camels.	Mules or Ponies.	Pack Bullocks.	Carts, Army Transport.	Carts, Light.	Coolies.		
A Brigade of all Arms in Punjab half transport.	–	236	310	–	–	33	–	–	1,180	A. 506	–	–	198	–	1,884	A.—Weight for 24 mules and 33 mules for light carts not included in maundage.
Punjab Frontier Force - - - - -	–	380	1,727	–	–	100	–	–	1,900	B. 3,042	–	–	600	–	5,542	B.—Weight for 106 mules and 33 mules for light carts not included in maundage.
Eastern Frontier Force - - - - -	46	–	456	–	–	–	–	690	–	C. 844	–	–	–	–	1,534	C.—Weight for 33 mules not included in maundage.
For Depôts and Out-Stations:																
Rawal Pindi Depôt and Out-Stations -	40	38	100	–	50	–	–	600	190	200	–	600	–	–	1,590	
Lahore (Mean Meer) and Out-Stations -	58	50	–	–	53	–	–	870	250	–	–	636	–	–	1,756	
Meerut and Out-Stations - - - -	30	50	682	–	48	–	–	450	250	1,364	–	576	–	–	2,640	
Agra and *ditto* - - - - -	25	100	–	–	42	–	–	375	500	–	–	504	–	–	1,379	
Lucknow and *ditto* - - - - -	96	74	–	–	20	–	–	1,440	370	–	–	240	–	–	2,050	
Allahabad and *ditto* - - - - -	16	–	–	400	80	–	–	240	–	–	800	960	–	–	2,000	
Calcutta and *ditto* - - - - -	54	–	–	–	80	–	–	810	–	–	–	960	–	–	1,770	
Shillong and *ditto* - - - - -	40	–	195	–	–	–	300	600	–	390	–	–	–	150	1,140	
TOTAL - - -	405	928	3,470	400	373	133	300	6,075	4,640	6,346	800	4,476	798	150	23,285	

7. The transport proposed to be maintained is less than that hitherto kept up; but in discussing this with Lieutenant Colonel Low, I understood him to say that he had the approval of his Excellency the Commander in-Chief to calculate for only the quantity of carriage for the strength of troops included in his scheme. It is not therefore necessary for me to submit for consideration any remarks on this head, as it is really a military question, and the provision made by Lieutenant-Colonel Low is that considered sufficient by his Excellency the Commander-in-Chief.

8. The arrangement under which water mules for hill stations will be obtained from the numbers allotted to depôts or frontier forces has been discussed and considered with the Orders of Military Department, No. 141C., $\frac{\text{Cantonment}}{\text{Water-supply}}$, dated 26th January 1882, regarding future means for the water-supply at hill stations; and if, as Lieutenant-Colonel Low informs me, the 1,727 mules allotted to the Punjab Frontier Force will be available for meeting the requirements of Murree and Cherat to the extent necessary, the several hill stations can in future be supplied from the allotment of mules or ponies in the scheme.

9. The number of mules allotted to the Shillong depôt, Lieutenant-Colonel Low concurred with me in thinking should not be more than 105. But the description of carriage most suitable for the Eastern Frontier Force and Shillong depôt will, I believe, have to be specially considered. It was a question that could not be discussed without inquiry and further experience, and the consideration of it may well be deferred until our occupation of the Naga country is on a more settled footing, and information is available on which to decide the amount and description of transport required as a *permanent* establishment.

10. Lieutenant-Colonel Low accepts my opinion that Army transport carts being economical should, to a large extent, be introduced where this description of carriage is suitable. This, I think, is in accordance with the views of Government in paragraph 6, page 6, of Military Department No. 1587, dated 13th October 1881, regarding carts for "all kinds of loads." An appreciable proportion of carriage, which can be generally utilised in conveying regimental equipments, I consider essential in an establishment largely composed of mules or ponies which are not adapted to "all kinds of loads," which, as regards tents, have hitherto been carried on elephants or camels and other heavy loads on camels; and of elephants and camels only a very limited number is now to be maintained. With Lieutenant-Colonel Low's remarks (page 2 of section 1 of Outline of Scheme) in favour of a properly constructed army transport cart I quite concur. The carts must be Government property, as owners of hired carts will not separately employ carts and cattle. If, therefore, Government construct its own carts, they should be made on the best principle and with the greatest tractive advantages, which country carts certainly do not possess.

11. In conclusion, I recommend that effect may be given to Lieutenant-Colonel Low's proposed allotment of transport as regards Bengal Presidency (I am not in a position to offer any opinion regarding carriage allotted to other presidencies) as a basis for a future permanent transport, but subject to practical test when equipment tables are prepared, showing the carriage required on the new scales (Kabul and Kabul *plus* carriage for European private tents), which will show if it is sufficient to move the number of men calculated for; also whether these scales in their details suffice for all purposes. For frontier service, it may be accepted that the Kabul scale will be sufficient, but for internal movements the maundage has not hitherto been restricted to such a very limited scale as that found unavoidable in Afghanistan, and after giving practical effect to the Kabul scale *plus* carriage for European private tents for European troops, it may be desired to add to the details for reasons which cannot be rejected.

12. The establishment of commissioned officers I do not consider more than necessary for the control of a large establishment of transport, the property of the State, the value of which is a sufficient reason for placing it under control that will ensure its being properly looked after. I am not, however, of Lieutenant-Colonel Low's opinion that the establishment of European subordinates should consist entirely of warrant officers. Paragraph 4, page 5, of Government,

ment No. 1587 says, warrant and non-commissioned officers, and a proportion of the establishment should, I think, consist of the latter. There is no real necessity for having men of the grade of Deputy Assistant Commissary, but a few prize appointments would be a judicious provision, and for Bengal and Punjab the establishment of 16 European subordinates might consist of 1 Deputy Assistant Commissary, 3 Conductors, 4 Sub-conductors, and 8 Non-Commissioned Officers.

13. The scale of establishments and pay, &c., proposed by Lieutenant-Colonel Low have already been sanctioned in paragraph 7, page 6, of Military Department No. 1587, and no remarks by me on this part of the scheme are necessary.

14. The portion of the papers now forwarded which refers to carriage for sick, will, I conclude, with reference to paragraph 5, page 6, of Military Department No. 1587, be referred to the Surgeon-General for opinion.

15. Lieutenant Colonel Low's No. 1156 was received by me in rough on 1st February, but the final print did not reach me until the evening of the 3rd February 1882.

No. 1156, dated the 26th January 1882.

From Lieutenant-Colonel *R. C. Low*, C. B., Deputy Commissary-General, Transport, to the Commissary-General, Bengal.

In forwarding for the consideration of Government, the attached scheme for transport, I have the honour to state that I have had some difficulty in interpreting the Government Resolution contained in Military Department No. 1587 S. D., of 13th October 1881.

2. My first reading of it was that, in addition to the troops to be equipped with one-half carriage, Government intended to keep up no transport whatever, but to depend on impressment for all other requirements.

This reading would give only the transport of the portion of the army in the Punjab equipped with one-half carriage as the available amount for the movement of troops in the presidencies of Bengal, Madras, and Bombay; in other words, these areas would be left without means of moving troops, and the only transport ready for despatch to either would be that of the portion of the army in the Punjab, or enough to move one brigade of all arms.

3. Looking at the Resolution as a guide, and to such passages as those marked C in page 4, D in page 5, and E in page 6, in the copy which I have attached for reference, I have understood that the system of depôts, with out-stations depending on them, as proposed by Sir M. Kennedy, is approved of, and I have adopted it in the scheme now submitted.

4. On one point, as regards distribution, I found I could not follow the instructions of the Resolution. I allude to the passages marked A and B in the attached copy—

A. Directs that not more than half carriage for the troops located there shall be kept up at any centre.

B. Directs that carriage at centres shall not be less than the present moveable column carriage maintained there.

But the moveable column carriage at any station is largely in excess of one-half carriage for the troops located there on any scale approaching a service scale.

5. The amount of transport to be maintained has not been fixed with reference to the amount at present available; the point is noted, as queries have been made regarding it, which tend to mix up two essentially different considerations, namely:

A. The utilisation of the transport at present available.

B. The amount of transport to be maintained in the future.

The argument that because Government at present owns a large quantity of transport it should therefore maintain the same quantity in the future is clearly not sound.

The animals have been allotted in the scheme with reference to the requirements of localities and the capabilities of localites to furnish those animals, but there is no reason why the surplus animals, after providing for the requirements of the scheme, should not be largely utilised; for instance, 400 pack-bullocks are allotted to Allahabad; there is no reason why 400 of the surplus mules should not be sent there to be replaced as they decrease by pack-bullocks; but this and such details cannot find a place in a permanent transport scheme; they are minor details; which should be afterwards settled solely with reference to economy.

The utilisation of the present available transport animals, and the amount of transport to be maintained in the future, have no connection with each other beyond this, that it is satisfactory that the amount available is in excess of requirements.

I have taken the only comprehensive manner of dealing with the amount of transport to be maintained, namely, by regulating it according to the number of troops that it is considered desirable to be in a postion to move.

6. I took the outline of the scheme to his Excellency the Commander-in-Chief, and on the main points I understood that I have his Excellency's approval.

7. The total cost of the scheme is yearly *Rs.* 28,10,699. 11.

If Government will consent to maintaining the camels on the hired principle, it will be 1,38,508 rupees less, as shown in Section 1, or a total of *Rs.* 26,72,191. 11.

8. The scheme for ambulance is attached in a separate form, and its cost is *Rs.* 3,61,899. 12., which gives a total yearly cost of either *Rs.* 31,72,599. 7, or, if hired camels are permitted, *Rs.* 30,34,091. 7., in both cases showing a large saving on present expenditure.

9. The transport required for Quetta has not been included. His Excellency the Commander-in-Chief has directed that transport to the extent of 2,000 mules, 300 carts, 50 camels, 50 ponies, and 550 bullocks should be retained there, and Government has decided that this is to be additional to the transport required for India.

The condition of things at Quetta is in a state of transition, and the present requirements cannot be considered to be of a permanent character and cannot therefore be included in the scheme. It will, doubtless, be found that when the force in Sind is equipped with the transport now provided for it, and the troops there are in a position to move rapidly on Quetta, and as the country around Quetta gradually settles into its normal state, the present large allotment of transport to Quetta and its outposts may be reduced.

It will probably be a few years before the amount of transport to be maintained there can be settled on a permanent footing, and until this time comes the requirements of Quetta should be considered and determined yearly.

The cost of *maintaining* the transport allotted to Quetta would be yearly 4,32,800 rupees, and this will approximate the cost for the coming year.

10. The calculations for the frontier forces in the scheme are based on the Kabul scale, which will approximate the cold-weather scale of the future.

The calculations for the forces within the army corps, areas, &c., are based on the Kabul scale *plus* transport for European private tents for the European portion of these forces, which will thus approximate the hot-weather scale of the future.

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OUTLINE OF THE SCHEME.

This scheme gives—

(A.) One-half transport to the troops composing the following forces:—

A portion of the army in the Punjab, equal to one brigade of all arms.

The Punjab Frontier force.

The Force in Sind.

The Force in the Eastern Frontier.

The Force in Burma.

The cost of which is yearly *Rs.* 9,88,161. 14.

(B.) Transport at 15 depôts of a strength which, added to the carriage available from troops equipped with transport in regimental charge, can provide for the mobilization of the following strength of troops within their respective army corps areas, viz.:—

Punjab Army	10,000
Bengal „	10,000
Bombay „	8,000
Madras „	5,000

Of this collective strength of 33,000 men, 13,000 could, under this scheme, be equipped with mobile transport, and moved to a distant point or seaport, leaving the frontiers fully protected.

It is proposed to make one of these depôts in each army corps area a training depôt for all ranks, viz.:—

Rawal Pindi, in the Punjab.
Meerut, in Bengal.
Bangalore, in Madras.
Poona, in Bombay.

The cost of the transport at all depôts is *Rs.* 14,65,051. 15.

(C.) It provides for a permanent staff of one officer at the head of the department, one officer at each of the depôts, and one additional officer at each of the four training depôts; in all 20 officers; also two warrant officers to each depôt; in all 30 warrant officers.

The cost of this establishment is *Rs.* 3,49,985. 14.; the total cost is *Rs.* 28,10,699. 11.

SECTION I.

The Data and General Principles.

The Resolution of Government, contained in Military Department No. 1587 S.D., of 13th October 1881, is taken as a general guide.

2. The amount of transport which Government desides to maintain should be regulated by the reply to the following query:—

How many fighting men does Government think it desirable to be able to put in the field at short notice from resources of its own?

This question, again, has two distinct divisions—

First division.—The number of troops required to be mobilized within the army corps area for the defence and protection of those areas.

I submitted to his Excellency the Commander-in-Chief the following numbers of which he approved, viz., transport for the mobilization of the following strength of troops at short notice within each army corps area:—

Bengal	10,000
Punjab	10,000
Bombay	8,000
Madras	5,000

Second division.—The number of troops required to be mobilized at a distant point or a seaport for expeditionary purposes.

It must be carefully held in remembrance that, although this scheme enables Government to put into the field the above strength of troops in each army corps area, it does not give power to put this collective force, that is to say 33,000 men, into the field at a distant point or a seaport, for the following reasons:—

(*a.*) The portion of the army in the Punjab equipped with carriage in regimental charge has been reckoned as available for despatch to each of the army corps areas of Bengal, Punjab, Bombay; collectively it must only be reckoned on once.

(*b.*) Elephants and camels are not transport which can be mobilized at distant points, and must be struck out.

(*c.*) In each of the army corps areas of the Punjab and Bombay, the transport of the troops guarding the respective frontiers is reckoned, but they cannot be counted on for mobilization of troops outside their own areas, for the frontiers must be left protected. Making these deductions, the strength of troops that Government can mobilize at a seaport or distant point is 13,000 men on the hot-weather scale, or 10,000 men with transport for 10 days' supply of food, as shown in section V., Table C.

3. The capabilities of this scheme, therefore, are—

(*a.*) Troops to the following strength can be mobilized in each army corps area—

Bengal	10,000
Punjab	10,000
Bombay	8,000
Madras	5,000

(*b.*) Troops to the following extent can be mobilized at a point distant from any frontiers, as for instance a seaport, viz., 13,000 men.

4. The different yearly cost of the various description of transport is—

					Rs.	*a.*	*p.*		*Rs.*	*a.*	*p.*	
Each	Elephant	carries	15	mds., costs yearly,	1,200	–	–	or	80	–	–	per md.
,,	Camel	,,	5	,, ,,	169	6	–	,,	33	14	–	,,
,,	Mule	,,	2	,, ,,	154	9	–	,,	77	4	6	,,
,,	Pack-bullock	,,	2	,, ,,	141	7	–	,,	70	11	6	,,
,,	A. T. cart	,,	12	,, ,,	386	1	–	,,	32	2	9	,,
,,	Light cart	,,	6	,, ,,	255	4	3	,,	42	8	8	,,

This

This shows that wheeled transport is amongst the cheapest to maintain, but it will not be found so if bad wheels and axles are used.

The point is noted, as Government in the Resolution contained in Military Department No. 1587-S.D., dated 13th October 1881, is apparently under the impression that the usual country cart is fit for army purposes. It is, however, not so.

The usual country cart will, as a rule, be found an excellent article for use in the locality where it is made, but cannot be depended on for mobilization of troops. An instance is daily before us: the two-bullock cart plying in Calcutta is a good cart; but take these carts, with their wooden axles and unseasoned wood, into rough ground and a dry climate, and the road would be littered with their pieces in a week.

The army transport cart must, to be of use, have the best procurable wheels and axles, and further it must be capable of being taken to pieces and sent by rail to any point.

Although army transport carts are undoubtedly cheap transport, they cannot be adopted without an initial cost. This cost will, however, for the present be confined to building the lighter description of cart, of which only 226 are required, and building a pattern of an army transport cart for each of the larger manufacturing centres, say 20 in all. The numbers of army transport carts required by the scheme are 796; but as large numbers of carts will be at the disposal of Government on the reduction of the Quetta line being completed, these should be utilised and sent to the various places where army transport carts have been allotted. In cases where the distance to send them is so great as to render it not worth the cost, army transport carts might be built for those places, but the sales consequent on reductions now going on would meet any such cost.

5. There is a weak point in the scheme which must be noticed.

It will be admitted, as a general maxim, that it is unwise to destroy any system before being sure that what is to take its place will be effective; Government does not now contemplate maintaining any hired transport. This point is recommended for reconsideration. It will not be found to pay, in practice, for Government to own camels. The difference in cost would be 1,38,508 rupees yearly in favour of Government, that is to say, if the camels of this scheme were hired animals, the total cost would be 1,38,508 rupees less than is here given.

The number of camels in the scheme is 1,689, which cost 2,85,451 rupees; the same number if hired and paid full rates for nine months and grazing rates for three would cost 146,943 rupees, the difference of 1,38,508 rupees would be the saving to the State.

6. It is essential that some means should be provided by which, at the time of need, we can expand the supervising element to meet the requirements of war.

This object was attained in the proposals of October last, by giving regimental allowances which have been disallowed under the Government Resolution, which is my guide to the present proposals.

I have the honour to state that after my experience of the state of things on my arrival at Kabul, and of the difference which was effected in that state after some months of labour in training non-commissioned officers and men in transport duties, I find it impossible to frame a scheme for transport which does not provide for a large body of trained non-commissioned officers and soldiers drawn from the army and ready to take their places in the field when required; without such provisions a transport scheme is one in name only.

In the field the principle was adopted of giving small regimental allowances, not only for the supervision and care of Government property, but with the larger object of securing men for those positions who were capable of instructing others; and I can, at all events, point to the fact that afterwards in the many expeditions which left Kabul, concluding with the march to Kandahar and the final retirement to India, the transport was throughout as thoroughly successful as before it had been a source of anxiety and trouble.

I have put a foot-note to Section II., on transport in regimental charge, showing what the cost would be if Government will reconsider this point and grant small allowances to regiments with transport in charge; but as the principle has been disallowed in the Resolution previously referred to, I have endeavoured to find another road to what I am unable to look on as other than a necessity, and I propose obtaining it by making one of each of the army corps depôts into a training school for officers, non-commissioned officers and men.

7. To each of these depôts I have allotted animals of every available class, so that tuition may be as complete as possible; and while the numbers of men sent for tuition from regiments within the army corps areas to each of these depôts of instruction must depend on house room in these stations, and must be directed by the general officer commanding in those areas, I trust Government will consent to the principle of parties being sent for instruction yearly, and sanction the small expense attending on their journey to and from their regiments.

SECTION II.

Transport in Regimental Charge.

8. The troops to be equipped with one-half regimental transport are laid down in Government Resolution No. 1587 S. D., of 13th October 1881, and are as follows:—

(1.) A portion of the army in the Punjab.
(2.) The Punjab Frontier Force.
(3.) The Force in Sind.
(4.) The Force on the Eastern Frontier.
(5.) The Force in Burma

9. The organisation of this transport will be as follows:—

The officer commanding a regiment would become responsible for the transport on its being made over to him; he would appoint an officer of the regiment as regimental transport staff officer. This officer to be a European officer in Native regiments.

This Transport Staff Officer will hold the same relative position to the transport in regimental charge as the Musketry Instructor does as regards musketry.

On transport being distributed to companies, one non-commissioned officer would be struck off duty in each company as transport assistant. In cavalry the same as above, "Troop" being substituted for "Company."

Batteries of artillery, mountain batteries, and company of sappers, when equipped with half transport, to count as one company of infantry. It should be a portion of the yearly training of a regiment, wherever possible, that it should pass a certain portion of each drill season under canvas outside cantonment limits, and make short marches as if on service.

It will be a rule with all transport that the officers of the Transport Branch of the Commissariat are responsible for it in all respects; animals, carts, equipment, and gear. Officers commanding regiments must accept what is issued to them, and have not power of holding regimental committees to condemn any portion of it. Defects should be brought to the notice of officers commanding stations.

If a non-commissioned officer cannot be spared as transport assistant a private may be told off for the duty.

10. I have not received a detail of the troops which are to compose the portion of the army in the Punjab, but I have the authority of his Excellency the Commander-in-Chief to estimate this force at one brigade of all arms.

A brigade

A brigade of all arms requires one-half transport as follows :—

One-half Transport for	Camels.	Mules or Ponies			Light Carts.	TOTAL.			Maunds.	REMARKS.
		For Pack.	For Puckals.	For Light Carts.		Camels.	Mules or Ponies.	Light Carts.		
	1.	2.	3.	4.	5.					
1 Regiment British Infantry.	108	14	5	13	13	108	32	13	646	Weight for animals in Columns 3 and 4 not included in maundage.
2 Regiments Native Infantry, each.	57	11	8	10	10	114	58	20	734	
1 Native Cavalry - -	–	76	–	–	–	–	76	–	152	
2 Field or Mountain Batteries, each.	–	67	1	–	–	–	136	–	208	
1 Company Sappers -	14	7	1	–	–	14	8	–	84	
TOTAL - - -	–	–	–	–	–	236	310	33	1,884	

In Infantry, carts are allowed for 100 rounds per man; mules for 30 rounds per man. The balance of weight required for half carriage is given in camels; puckal animals extra.

Cavalry and mountain batteries are given mule or pony carriage.

11. The Punjab Frontier Force requires as follows :—

One-half Transport for	Camels.	Mules for			Light Carts.	TOTAL.			Maunds.	REMARKS.
		Puckals.	Pack.	Carts.		Camels.	Mules or Ponies.	Light Carts.		
	1.	2.	3.	4.	5.					
5 Regiments Native Cavalry, each.	–	–	76	–	–	–	380	–	760	Weight for animals in Columns 2 and 4 not included in maundage.
9 Regiments Native Infantry, each.	38	8	50	10	10	342	612	90	3,150	
2 Regiments in Hazara -	–	8	175	–	–	–	360	–	700	
Corps of Guides - -	38	8	101	10	10	38	119	10	452	
5 Mountain Batteries -	–	2	48	–	–	–	250	–	480	
TOTAL - - -	–	–	–	–	–	380	1,727	100	5,542	

In Infantry, light carts are allowed for 100 rounds per man; mules for 30 rounds per man.

The balance given in pack transport, consisting of mules and camels; cavalry and mountain batteries, also regiments in Hazara, being given mules or ponies.

12. The requirements of the force in Sind are as follows :—

One-half Transport for	Camels.	Mules for			Light Carts.	TOTAL.			Maunds.	REMARKS.
		Puckals.	Pack.	Carts.		Camels.	Mules or Ponies.	Light Carts.		
	1.	2.	3.	4.	5.					
3 Batteries Royal Artillery, each.	27	2	–	–	–	81	6	–	405	Weight for animals in Columns 2 and 4 not included in maundage.
1 British Infantry -	108	14	5	13	13	108	32	13	628	
3 Native Infantry, each	54	11	8	10	10	162	87	30	1,038	
2 Native Cavalry, each -	–	–	76	–	–	–	152	–	304	
TOTAL - - -	–	–	–	–	–	351	277	43	2,375	

In Infantry, carts are given for 100 rounds per man; mules or ponies for 30 rounds per man; the balance is given in camels. Cavalry is given mule transport.

13. The requirements of the force in Eastern Frontier are as follows:—

One-half Transport for	Elephants. 1.	Camels. 2.	Mules for Puckals. 3.	Mules for Pack. 4.	Coolies.	Light Carts.	Total Camels.	Total Mules.	Total Coolies.	Total Elephants.	Total Maunds.	Remarks.
3 Native Infantry, each.	12	–	8	85	–	–	–	279	–	36	1,050	Weight for animals in Column 3 not included in maundage.
1 Native Infantry, Cachar.	10	–	8	100	–	–	–	108	–	10	350	
1 Mountain Battery -	–	–	2	67	–	–	–	69	–	–	134	
Total - - -	–	–	–	–	–	–	–	456	–	46	1,534	

Elephants allotted as per Military Department No. 1111D., of 16th November 1881; balance given in mules or ponies.

14. The requirements of the force in Burma, is as follows:—

	Elephants. 1.	Mules or Ponies Puckals. 2.	Mules or Ponies Pack. 3.	Total Elephants.	Total Mules.	Maunds.	Remarks.
2 British Regiments, each -	15	8	213	30	442	1,302	Weight for animals in Column 2 not included in maundage.
5 Native Infantry, each - -	8	8	115	40	595	1,750	
2 Mountain Batteries, each -	18	–	1	36	–	540	
1 Company Sappers - -	–	1	86	–	87	172	
Total - - -	–	–	–	106	1,124	3,764	

Elephants allotted as per Military Department No. 1111D., of 16th November 1881; balance given in mules or ponies.

15. The total transport required for transport of troops guarding the frontier is:—

	Camels.	Mules or Ponies.	Light Carts.	Elephants.	Maunds.	Remarks.
Portion of Army in Punjab -	236	310	33	- -	1,884	
Punjab Frontier Force - -	380	1,727	100	- -	5,542	
The Force in Sind - - -	351	277	43	- -	2,375	
The Force on Eastern Frontier -	- -	456	- -	46	1,534	
The Force in Burma - -	- -	1,074	- -	106	3,764	
Total - - -	967	3,844	176	152	13,565	

N.B.—To make this transport thoroughly efficient small regimental allowances should be granted as follows:—

To European officers in both European and Native regiments, 6 rupees per company equipped with transport, inclusive of office allowance.

European non-commissioned officers, working pay of 8 annas per day.

Native non-commissioned officers, working pay of 2 annas per day. If a non-commissioned officer could not be spared, a private should be appointed with pay as above.

The extra expense to the whole scheme, if these allowances were granted, would be 23,420 rupees yearly.

SECTION III.

Depôts and their Out-Stations.

16. The transport to be maintained at depôts, and at stations dependent on them, is given in the following Table:—

Depôts.	Stations Dependent on Depôts.	Transport Allotted.							
		Elephants.	Camels.	Mules or Ponies.	Pack Bullocks.	Army Transport Carts.	Light Carts.	Coolies.	Maunds.
Rawal Pindi	Rawal Pindi Sialkot Jhelum Talagong Murree and Murree Hills. Peshawar Attock Campbellpore Nowshera	40	38	100	–	50	–	–	1,590
Lahore (Meean Meer)	Meean Meer Jullundur Mooltan Ferozepore Amritsar Govindgarh Dharmsala Bakloh (near Dalhousie).	58	50	–	–	53	–	–	1,756
Meerut	Meerut Umballa Moradabad Almora, Naini-Tal Shahjahanpore Ranikhet Dehra Dun Chakrata Delhi Landour Roorkee Kasauli Subathu Dagshai	30	50	682	–	48	–	–	2,640
Agra	Agra Gwalior (Morar) Jhansi Muttra Fatehgarh Nusseerabad	25	100	–	–	42	–	–	1,379

Depôts.	Stations Dependent on Depôts.	Transport Allotted.							
		Elephants.	Camels.	Mules or Ponies.	Pack Bullocks.	Army Transport Carts.	Light Carts.	Coolies.	Maunds.
Lucknow	Lucknow Fyzabad Bareilly Sitapur	96	74	–	–	20	–	–	2,050
Allahabad	Allahabad Gorakhpur Saugor Jubbulpore Banda Cawnpore Dinapore Benares Segowlie Nowgong Pachmarhi	16	–	–	400	80	–	–	2,000
Calcutta	Darjeeling Jalpaiguri Barrackpore Fort William Alipore Dum Dum Hazaribagh Doranda Bhagalpur Dacca Baxa	54	–	–	–	80	–	–	1,770
Shillong	Shillong, Jowai, &c. Dibrugarh, Sadiya, &c. Cachar, Monierkhal Gauhati, Tezpur, &c.	40	–	195	–	–	–	300	1,140
Jacobabad	Jacobabad Karachi Hyderabad Sunkur	15	130	–	–	60	–	–	1,595
Mhow	Mhow Neemuch Abu Kamptee Seetabuldee Hoshangabad Raipur Chanda Sironcha	15	100	–	100	50	–	–	1,525

Depôts.	Stations Dependent on Depôts.	Transport Allotted.							
		Elephants.	Camels.	Mules or Ponies.	Pack Bullocks.	Army Transport Carts.	Light Carts.	Coolies.	Maunds.
Poona	Poona	20	80	250	–	65	–	–	1,980
	Ahmednagar								
	Malegaon								
	Satara								
	Sholapur								
	Ahmedabad								
	Deesa								
	Rajkot								
	Belgaum								
	Aden								
	Kolhapore								
	Baroda								
	Bombay								
	Deolali								
Secunderabad	Secunderabad	14	100	100	100	50	–	–	1,710
	Bellary								
Bangalore	Bangalore	20	–	250	–	75	–	–	1,700
	French Rocks								
	Mercara								
	Nilgiris								
	Cannanore								
	Calicut								
	Maliyapuram								
	Mangalore								
Madras	Madras	5	–	100	200	123	–	–	2,151
	St. Thomas' Mount								
	Pallaveram								
	Poonamallee								
	Vellore								
	Waltair								
	Vizagapatam								
	Vizianagram								
	Berhampore								
	Sambalpur								
	Cuttack								
	Trichinopoly								
	Quilon								
	Palamcotta								
Rangoon	Rangoon	–	–	–	550	–	50	–	1,400
	Thayetmyo								
	Toungoo								
	Moulmein								
	Grand Total	448	722	1,677	1,350	796	50	300	26,896

17. The amount of transport to be detached from the depôts to the out-stations depending on the depôts would be detailed by the general officers commanding the division or district under whose authority the transport would necessarily be.

18. The manner in which I have calculated the requirements of these depôts is as follows:—

Punjab.—11,236 maunds of transport is required to mobilize 10,000 men, including European privates' tents for 2,500 Europeans.

The transport of the Punjab Frontier Force is, I consider, available, or 6,492 maunds. The transport of the portion of the army in the Punjab equipped with regimental transport is also available, or 1,399 maunds. Deducting these two items, leaves a balance of 3,345 maunds to be maintained at the two depôts in the Punjab, viz.:—

	Mds.
Rawal Pindi	1,590
Meean Meer	1,756

Bengal.—Transport is required for 10,000 men, or 11,236 maunds.

The transport of the portion of the army in the Punjab would be available for despatch to Bengal in the event of a disturbance there, or 1,399 maunds, which leaves 9,837 maunds to be kept up in the five depôts in Bengal, viz.:—

	Mds.
Merut	2,640
Agra	1,379
Lucknow	2,050
Allahabad	2,000
Calcutta	1,770
TOTAL	9,839

Eastern Frontier.—This has been separately treated. At the present time 1,650 maunds of transport is maintained, and is working on the Naga Hill line; but when the troops on Eastern Frontier receive the transport allotted to them, it may be expected that a portion of the work could be done by a portion of the transport in regimental charge being put on duty. This portion is estimated at one-third of the amount allotted to regiments, viz., 510 maunds, and the balance of 1,140 maunds are therefore allotted to Shillong.

Madras.—The requirements here are 5,556 maunds for mobilization of 5,000 men, of which one-fourth, or 1,250 Europeans, are allowed European private tents, and there is nothing available. This 5,556 maunds has been divided amongst the three depôts of—

	Mds.
Secunderabad	1,710
Bangalore	1,700
Madras	2,151
TOTAL	5,561

Burma is separately treated, and given transport in the one depôt of Rangoon for 1,400 maunds.

Bombay.—The requirements are 8,960 maunds for 8,000 men, of which one-fourth or 2,000 men are allowed European private tents.

The transport of the portion of the army in the Punjab is considered as available for despatch, viz., 1,399 maunds; also the transport of the force in Sind, 2,413 maunds: deducting these, 5,094 maunds of transport is required to be maintained, and this has been allotted to the three depôts of—

	Mds.
Jacobabad	1,595
Mhow	1,525
Poona	1,980
TOTAL	5,100

19. In

19. In each army corps area one depôt will be a depôt of instructions, as follows—

Rawal Pindi, in the Punjab.
Meerut, in Bengal.
Poona, in Bombay.
Bangalore, in Madras.

And it is proposed that under orders of the officers commanding the armies, small detachments of the various regiments should be sent to these training depôts for a course of instruction during the cold season.

These stations have been selected as those having large garrisons themselves, and as depôts which, from their situations and surroundings, require transport of almost all descriptions; tuition can thus be given in the loading and treatment of almost every description of animals used.

20. One other point has to be noticed regarding these depôts and the transport allotted to them.

For the depôt at Meerut, I have had to make allowance for 600 mules that are used for water-supply at hill stations dependent on it; but for the water-supply of the hill stations in the Punjab, I have made no additional allowance, as I have considered that Government should utilise the mules in regimental charge.

The object is to utilise the transport, and regiments should be called on to send their mules in regular roster for this duty.

21. The elephants have been allotted in accordance with Military Department No. 111·1D., dated 16th November 1881.

22. The total transport to be maintained in the depôts is as follows;

	Elephants.	Camels.	Mules or Ponies.	Pack Bullocks.	Draught Bullocks.	Army Transport Carts.	Light Carts.	Coolies.	Total Maunds.
Punjab - - - -	98	88	100	- -	206	103	–	–	3,356
Bengal and Shillong - -	261	224	877	400	484	270	–	300	11,489
Bombay - - - -	50	310	250	100	350	175	–	–	5,100
Madras - - - -	39	100	*a* 500	850	496	248	50	–	6,961
TOTAL - - -	448	722	1,727	1,350	1,536	796	50	300	26,906

(*a*) Includes 50 for light carts.

SECTION IV.

ESTABLISHMENTS.

23. The Commissariat Department would require to be strengthened as follows:—

1 Officer at the head of the department - - -	1
1 Officer for each depôt - - - - - -	15
4 Officers additional at the four training depôts -	4
TOTAL - - -	20

There are six depôts in Bengal, Shillong included—

2 in the Punjab.
4 in Madras, Rangoon included.
3 in Bombay.

The following would be the additions required in the Commissariat Department,—

	1 Officer at the head of Department.
Bengal - - -	1 Deputy Commissary-General.
	1 Assistant „ „ 1st class.
	1 „ „ „ 2nd „
	1 Deputy Assistant Commissary-General, 1st „
	1 „ „ „ 2nd „
	1 Sub-Assistant Commissary-General, 1st „
	1 „ „ „ 2nd „
TOTAL - - -	8
Punjab - - -	1 Assistant Commissary-General, 2nd class.
	1 Deputy Assistant „ 1st „
	1 „ „ „ 2nd „
TOTAL - - -	3
Bombay - - -	1 Assistant Commissary-General, 1st class.
	1 Deputy Assistant „ 2nd „
	1 Sub-Assistant „ 1st „
	1 „ „ 2nd „
TOTAL - - -	4
Madras - - -	1 Assistant Commissary-General, 1st class.
	1 Deputy Assistant „ 1st „
	1 „ „ „ 2nd „
	1 Sub-Assistant „ 1st „
	1 Assistant „ 2nd „
TOTAL - - -	5
GRAND TOTAL - -	20

24. It will be the duty of each depôt officer not only to supervise all the transport at his depôt and the detachments of transport sent from his depôts to stations depending on that depôt, but he will have the large responsibility and work of making a register of the transport which exists in the country in the numerous districts of which his depôt is the centre. The assistance which Government gives in the Resolution, which is the data of this scheme, consists of the aid of civil officers and the officers of the Quartermaster General's Department; but as all, except direct agency, is barred, it results that to compile any thing but a hearsay register, the transport officers of the depôts will have a life of endless work in front of them.

It is necessary to provide for officers falling sick or requiring leave; but as the main duties of the additional four officers at the training depôts will be over at the end of each cold season, I have considered that these four officers being more or less available for six months of each year are equivalent to the necessary percentage of 10 per cent. spare, and that the work can be done without asking for more.

25. The establishment of warrant officers required will be two for each depôt, and the following list shows the number to be added to the Commissariat Department:—

To Bengal and Punjab - -	1 Deputy Assistant Commissary.
	6 Conductors.
	9 Sub-Conductors.
To Madras - - - -	1 Deputy Assistant Commissary.
	3 Conductors.
	4 Sub-Conductors.
To Bombay - - -	1 Deputy Assistant Commissary.
	2 Conductors.
	3 Sub-Conductors.

26. The

26. The following tables of establishments are entered here in conformity with the Government Resolution; but as the animals must, under the scheme, be allotted to meet required maundage, complete peace divisions cannot be allotted; the tables are, however, useful as showing the proportion of establishments required for the numbers.

Establishment for one division of pack transport of 500 maunds to be expanded to 2,000 maunds in time of war.

Peace Establishment.	War Establishment.	Number required to Complete.
MULES, PONIES, or PACK BULLOCKS:		
250 Animals. 5 Jemadars. 10 Duffadars. 100 Drivers, *i.e.*, 1 to 3 and 10 per cent. spare. 1 Weighman. 1 Gomashta, 2nd class. 1 Peon. 1 Warrant Officer.	1,000 Animals. 1 Transport Officer. 2 Warrant Officers. 20 Jemadars. 40 Duffadars. 366 Drivers, *i.e.*, 1 to 3 and 10 per cent. spare. 4 Weighmen. 4 Peons.	750 Animals. 1 Transport Officer. 1 Warrant Officer. 15 Jemadars. 30 Duffadars. 266 Drivers. 3 Weighmen. 3 Peons.
Veterinary Establishment:		
1 Salutri. 2 Shoeing-smiths. 2 Native saddlers.	4 Salutris. 8 Shoeing-smiths.	3 Salutris. 6 Shoeing-smiths.
Artificers:		
1 Carpenter. 1 Blacksmith. 1 Hammerman. 1 Bellowsman.	1 Mule agent or Gomashta, 1st class. 8 Native saddlers. 4 Carpenters. 4 Blacksmiths. 4 Hammermen. 4 Bellowsmen. 2 Weighmen. 1 Peon. 1 Gomashta, 1st class. 1 Gomashta, 2nd class.	1 Mule agent. 6 Native saddlers. 3 Carpenters. 3 Blacksmiths. 3 Hammermen. 3 Bellowsmen. 2 Weighmen. 1 Peon. 1 Gomashta, 1st class.
Camels:		
100 Camels. 2 Jemadars. 4 Duffadars. 43 Surwans, *i.e.*, 1 to 3 and 10 per cent. spare.	500 Camels. 1 Transport officer. 2 Warrant officers. 1 Naib Chowdry. 1 Moonshee. 2 Weighmen. 10 Jemadars. 20 Duffadars. 184 Surwans; 1 to 3 and 10 per cent. spare. 1 Gomashta, 1st class.	400 Camels. 1 Transport officer. 2 Warrant officers. 1 Naib Chowdry. 1 Moonshee. 2 Weighmen. 8 Jemadars. 141 Surwans.
Artificers:		
1 Carpenter.	5 Carpenters.	4 Carpenters.

27. The establishment for one division of draught transport of 600 maunds to be expanded to 3,000 maunds in time of war.

Army transport cart carries 12 maunds drawn by two animals.

Light transport cart carries six maunds drawn by one animal.

Peace Establishment.	War Establishment.	Number required to Complete.
ARMY TRANSPORT CARTS:		
50 Carts. 100 Bullocks. 2 Jemadars. 4 Duffadars. 55 Drivers, *i.e.*, 1 to each cart and 10 per cent. spare.	250 Carts. 500 Bullocks. 1 Transport officer. 2 Warrant officers. 10 Jemadars. 20 Duffadars. 275 Drivers, *i.e*, 1 to each cart and 10 per cent. spare.	200 Carts. 400 Bullocks. 1 Transport officer. 2 Warrant officers. 8 Jemadars. 16 Duffadars. 220 Drivers.
Veterinary:		
1 Salutri. 1 Shoeing-smith.	3 Salutris. 2 Shoeing-smiths.	2 Salutris. 1 Shoeing-smith.
Artificers:		
1 Blacksmith. 1 Bellowsman. 1 Hammerman. 1 Carpenter. 1 Wheel-greaser. 1 Gomashta, 3rd class.	3 Blacksmiths. 3 Bellowsmen. 3 Hammermen. 3 Carpenters. 3 Wheel-greasers. 2 Weighmen. 1 Peon. 1 Gomashta, 1st class. 1 Gomashta, 3rd class.	2 Blacksmiths. 2 Bellowsmen. 2 Hammermen. 2 Carpenters. 2 Wheel-greasers. 2 Weighmen. 1 Peon. 1 Gomashta, 1st class.
Light Carts:		
100 Carts. 100 Animals. 2 Jemadars. 4 Duffadars. 110 Drivers, 1 each and 10 per cent. spare.	600 Carts. 600 Animals. 1 Transport officer. 2 Warrant officers. 12 Jemadars. 24 Duffadars. 660 Drivers, 1 each and 10 per cent. spare.	500 Carts. 500 Animals. 1 Transport officer. 2 Warrant officers. 8 Jemadars. 16 Duffadars. 550 Drivers, 1 each and 10 per cent. spare.
Veterinary:		
1 Salutri. 1 Shoeing-smith.	2 Salutris. 2 Shoeing-smiths.	1 Salutri. 1 Shoeing-smith.
Artificers:		
1 Blacksmith. 1 Bellowsman. 1 Hammerman. 1 Carpenter. 1 Wheelgreaser. 1 Gomashta, 3rd class.	3 Blacksmiths. 3 Bellowsmen. 3 Carpenters. 3 Wheel-greasers. 2 Weighmen. 1 Peon. 1 Gomashta, 1st class. 1 Gomashta, 3rd class.	2 Blacksmiths. 2 Bellowsmen. 2 Carpenters. 2 Wheel-greasers. 2 Weighmen. 1 Peon. 1 Gomashta, 1st class.

SECTION V.

THE TOTAL of TRANSPORT and ESTABLISHMENTS to be maintained and the TRANSPORT available.

28. The transport required by this scheme in each of the army corps areas is mentioned in the following table (A).

29. Table (B) shows the total transport to be maintained in India, with total of establishment of all kinds.

30. Table (C) shows the portion of this transport which is of a mobile description, and available for putting troops into the field at a distant point or a seaport leaving the frontiers protected.

31. Table

31. Table (D) shows the transport at present owned by Government, and which is available to meet the requirements of the scheme and its present situation.

32. Table (E) shows the surplus owned by Government, and the deficiencies to be purchased by Government in the various classes of transport to meet the requirements of the scheme.

It will be seen from this table that the surplus is so large, compared to the deficiencies, that the outlay will certainly be more than met by the sales.

(A.)

TABLE showing the Total Transport to be maintained in each Army Corps, and on what account.

	Elephants.	Camels.	Mules or Ponies.	Pack Bullocks.	Carts, Army Transport.	Carts, Light.	Coolies.	Draught Bullocks.
Punjab:								
Portion of army in Punjab, and Punjab Frontier Force, Section II.	–	236	310	–	–	33	—	—
	–	380	1,717	–	–	100	—	—
Depôts in Punjab, Section III. -	98	88	100	—	—	—	—	—
TOTAL - - -	98	704	2,127	–	–	133	—	—
Bengal:								
Force in Eastern Frontier, Section II. - - - - - -	46	–	456	—	—	—	—	—
Depôts in Bengal, Section III. -	261	224	877	400	270	–	300	484
TOTAL - - -	307	224	1,333	400	270	–	300	484
Bombay:								
Force in Sind, Section II. - -	–	351	277	–	–	43	–	—
Depôts, Section III. - - -	50	310	250	100	1,757	–	–	350
TOTAL - - -	50	661	527	100	175	43	–	350
Madras:								
Force in Burma, Section II. - -	106	–	1,074	—	—	—	—	—
Depôts, Section III. - - -	39	100	500	850	248	50	–	496
TOTAL - - -	145	100	1,574	850	248	50	–	496

(B.)

TABLE showing the Total of Transport and Establishment to be maintained in India.

	Officers.		Transport.								Veterinary.		Elephant Attendants.			Mule, Pony, and Bullock Attendants.			Camel Attendants.			Artificers.							
	Commissioned.	Warrant.	Elephants.	Camels.	Mules or Ponies.	Pack Bullocks.	Draught Bullocks.	Army Transport Carts.	Light Carts.	Coolies.	Salutris.	Shoeing Smiths.	Jemadars.	Mahouts.	Coolies.	Jemadars.	Duffudars.	Drivers.	Jemadars.	Duffadars.	Surwans.	Carpenters.	Blacksmiths.	Hammermen.	Bellowsmen.	Wheel Greasers.	Weiglmen.	Peons.	Saddlers.
PUNJAB ARMY:																												
Frontier Force - - - - - - -	3	4	98	704	2,127	–	–	103	133	–	9	9	9	98	98	43	86	665	14	28	235	16	9	9	9	2	9	9	20
Portion of army and depôts - - - -																												
BENGAL ARMY:																												
Force in Eastern Frontier and depôts - -	7	12	307	224	1,333	400	540	270	–	300	12	12	31	307	307	35	70	578	4	9	75	14	12	12	12	5	12	12	15
BOMBAY ARMY:																												
Force in Sind and depôts - - - - -	4	6	50	661	527	100	350	175	43	–	5	5	5	50	50	12	24	195	14	28	220	12	6	6	6	4	6	6	5
MADRAS ARMY:																												
Force in Burma and depôts - - - - -	5	8	145	100	1,574	850	496	248	50	–	15	15	15	145	145	47	94	791	2	4	33	15	14	14	14	6	14	14	19
TOTAL - - -	19	30	600	1,689	5,561	1,350	1,386	796	226	300	41	41	60	600	600	137	274	2,229	34	69	563	57	41	41	41	17	41	41	59
Add 1 officer at head of Department - -	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Add attendants for army transport carts - -	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	32	64	796	–	–	–	–	–	–	–	–	–	–	–
Add attendants for light carts - - - -	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	5	9	226	–	–	–	–	–	–	–	–	–	–	–
Add 10 per cent. spare drivers - - - -	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	330	–	–	56	–	–	–	–	–	–	–	–
GRAND TOTAL - - -	20	30	600	1,689	5,561	1,350	1,386	796	226	300	41	41	60	600	600	174	347	3,581	34	69	619	57	41	41	41	17	41	41	59

(C.)

TABLE showing the Mobile Transport available to send to a seaport or distant point leaving Frontiers protected.

	Mules or Ponies,	Pack Bullocks.	A. T. Carts with Bullocks.	Light Carts with Mules.	Maunds.
From Punjab depôts - - -	100	- -	103	- -	1,436
„ Portion Army Punjab -	310	- -	- -	33	808
„ Bengal depôts - - -	682	400	270	- -	5,404
„ Bombay „ - - -	250	100	175	- -	2,800
„ Madras „ - - -	450	300	248	- -	4,476
TOTAL - - -	1,792	800	796	33	14,924

14,924 is sufficient to equip 13,000 men on the hot weather scale, or a force of 10,000 men with transport for ten days' supply of food.

(D.)

STATEMENT showing the Number of Animals owned by Government.

	Yaboos.	Ponies.	Mules.	Camels.	Donkeys.	Draught Bullocks.	Elephants.	Carts.
1. With Punjab Force - -	–	–	750	450	–	–	–	–
2. Depôts in Punjab - - -	–	1,955*	4,441	–	–	–	–	–
3. With Bozdar Column - -	–	760	1,191	–	–	–	–	–
4. Probable surplus in Southern Afghanistan.	242	834	–	473	390	2,386	–	1,188
5. Supply animals - - -	–	–	227	–	–	–	–	–
6. Government elephants - -	–	–	–	–	–	–	600	–
7. In Bombay - - - -	–	A.	521	179	–	471	–	–
8. In Madras - - - -	–	A.	807	397	–	1,575	–	–
TOTAL - - -	242	3,549	7,937	1,499	390	4,432	600	1,188

* Of these, all mares and the ponies over 12 years old are under orders to be sold.
A—As per telegrams from Commissary-Generals of Madras and Bombay.

(E.)

TABLE showing the Surplus Transport.

	Elephants.	Camels.	Yaboos.	Ponies.	Mules.	Donkeys.	Pack Bullocks.	Draught Bullocks.	A. T. Carts.	Light Carts.	Coolies.
Available as per Table (D.) -	600	1,499	242	3,549	7,937	390	–	4,432	1,188	–	–
Requirements of the scheme as per Table (B.)	600	1,689	–	–	5,561	–	1,350	1,386	796	226	300
Surplus - - - -	–	–	242	3,549	2,376	390	–	3,046	392	–	–
Deficiencies - - - -	–	190	–	–	–	–	1,350	–	– -	226	300

SECTION VI.

FOLLOWERS—MISCELLANEOUS.

33. All followers will be entertained in accordance with the provisions of paras. 344-357 of the Report of the Special Commissariat Committee.

34. The following uniform will be issued to each follower:—

A khakhi drill blouse.
A saloo pugree.
A pair of shoes.
A broad leather belt with A. T. engraved on it.

35. The following is the scale of pay:—

	Per Mensem.
	Rs.
Elephant Attendants:	
1 Jemadar to every 10 animals	10
1 Mahout to each elephant	8
1 Coolie „ „	5
Camel Attendants:	
1 Jemadar to 50 camels	10
1 Duffadar to 25 „	8
1 Surwan to 3 „	6
Mule, Pony, and Bullock Attendants:	
1 Jemadar to 50 at	10
1 Duffadar to 25 „	8
1 Driver to 3 „	6
N. B.—Drivers for Army Transport carts, 1 to each. Drivers for Eight carts, 1 to each.	
Veterinary:	
Salutris, each	35
Assistant Salutris	20
Shoeingsmiths	15
Artificers:	
Blacksmiths, each	15
Saddlers	12
Carpenters	10
Bellowsmen	7
Hammermen	6
Wheel greasers	6
Weighmen	6
Peons	6
Gomashtas:	
1st Class	50
2nd „	40
3rd „	30

All followers whose pay is under 10 rupees per mensem to receive compensation for dearness of provisions.

MISCELLANEOUS.

36. It will be necessary to provide buildings at the centres for the equipment, &c., stationed there. I have no means of ascertaining what the initial outlay will be; a light shed for the carts and the same for a hospital for the animals, with a godown for equipment, and blacksmith's and carpenter's huts, are about the total of what is required at each depôt. For the annual repairs of these buildings, I have estimated 500 rupees per depôt yearly, which is a liberal allowance.

37. Regarding huts for the followers, it will be necessary to consider that at many stations hutting room may not be found near the lines of regiments, and that the transport in regimental charge will have to be located in the transport lines. At the same time it will be seen in the Table at Section III., para. 16, that the transport allotted to depôts in the proximity of the frontiers is small, and "some of this must be" distributed over the stations depending on the depôts, and it will be found that when the scheme is brought into operation, the present accommodation existing will, in most cases, be sufficient; where it is not so, then hutting for the followers and buildings as above-mentioned must be given. This can only be considered locally by the military commanders throughout the country, under whom the supreme control of all transport must rest.

38. Government has in possession more than the required number of ordnance saddles. The balance should be stored.

SECTION VII.

The Cost and Details of Calculations.

The total cost will be as follows:—

Transport in regimental charge as per Section II.—

				Rs.	*a.*	*p.*	*Rs.*	*a.*	*p.*	*Rs.*	*a.*	*p.*
152 elephants	-	-	at	1,200	–	–	= 1,82,400	–	–			
3,864 mules	-	-	„	154	9	–	= 5,97,229	8	–			
967 camels	-	-	„	169	6	–	= 1,63,585	10	–			
176 light carts	-	-	„	255	4	3	= 44,946	12	–			
										= 9,88,161	14	–

Transport at depôts as per Section III.—

				Rs.	*a.*	*p.*	*Rs.*	*a.*	*p.*			
448 elephants	-	-	at	1,200	–	–	= 5,37,600	–	–			
722 camels	-	-	„	169	–	–	= 1,22,018	–	–			
1,795 mules	-	-	„	154	9	–	= 2,59,201	5	–			
1,350 pack bullocks		-	„	141	7	–	= 1,90,940	10	–			
748 army transport carts			„	386	1	–	= 3,07,305	12	–			
50 light carts	-	-	„	255	4	3	= 12,763	4	–			
300 coolies	-	-	-	-	-	-	= 35,223	–	–			
										= 14,65,051	15	–
Establishment of officers, warrant officers, and offices as per section IV.			-	-	-	-	-	-		3,49,985	14	–
										28,03,199	11	–
Add annual repairs to buildings, Section VI.								-	-	7,500	–	–
								TOTAL	-	*Rs.* 28,10,699	11	–

The following are the data from which calculations are made:—

Elephants, cost to feed and maintain, 1,200 rupees each yearly.

The cost of feeding a camel, according to accounts received from the Examiner of Commissariat Accounts of Bengal and Bombay, is for the five years ending 1878—

	Rs.	*a.*	*p.*	
Bengal	95	3	9	yearly.
Bombay	133	2	1	„
	2)228	5	10	
	114	3	–	each.

The cost of feeding a mule is, from information similarly obtained,—

	Rs.	*a.*	*p.*	
Bengal	54	1	6	yearly.
Madras	108	–	–	„
Bombay	92	9	5	„
	3)254	10	11	
	84	14	4	each.

The cost of feeding a draught or pack bullock is—

	Rs.	*a.*	*p.*	
Bengal	58	9	2	yearly.
Madras	79	–	6	„
Bombay	115	5	2	„
	3)252	14	10	
	84	5	–	each.

The cost of maintaining a peace division of 250 pack mules or ponies is, for a year,—

			Rs.	*Rs.*	*a.*	*p.*
Food				21,223	15	4
5 Jemadars	at	10 × 12	=	600	–	–
10 Duffadars	„	8 × 12	=	960	–	–
100 Drivers	„	6 × 12	=	7,200	–	–
1 Weighman	„	6 × 12	=	72	–	–
1 Peon	„	6 × 12	=	72	–	–
1 Salutri	„	35 × 12	=	420	–	–
1 Shoeingsmith	„	15 × 12	=	180	–	–
2 Saddlers	„	12 × 12	=	288	–	–
1 Carpenter	„	10 × 12	=	120	–	–
1 Blacksmith	„	15 × 12	=	180	–	–
1 Hammerman	„	6 × 12	=	72	–	–
1 Bellowsman	„	7 × 12	=	84	–	–
1 Gomashta, 2nd class	„	40 × 12	=	480	–	–
				31,951	15	4

	Rs.	*a.*	*p.*			
Compensation for dearness of food for 115 men, whose wages are under *Rs.* 10, at *Rs.* 10 per annum each	1,150	–	–			
Material for repair of gear at 5 per cent. on cost price of 30 on—						
250 saddles	375	–	–			
Clothing of 117 men at *Rs.* 2. 8.	292	8	–			
				1,817	8	–
Purchase of 25 mules, at *Rs.* 150	3,750	–	–			
Clothing of 250 mules, at *Rs.* 2 each	500	–	–			
Cost of 25 new saddles, at *Rs.* 27 each	675	–	–			
				4,925	–	–
TOTAL				*Rs.* 38,694	7	4

or *Rs.* 154. 9. each mule per year.

The cost of maintaining a peace division of 250 pack bullocks is—

			Rs.	*Rs.*	*a.*	*p.*
Food				21,078	2	–
5 Jemadars	at	10 × 12	=	600	–	–
10 Duffadars	„	8 × 12	=	960	–	–
100 Drivers	„	6 × 12	=	7,200	–	–
1 Weighman	„	6 × 12	=	72	–	–
1 Peon	„	6 × 12	=	72	–	–
1 Salutri	„	25 × 12	=	420	–	–
1 Shoeing-smith	„	15 × 12	=	180	–	–
2 Saddlers	„	12 × 12	=	288	–	–
1 Carpenter	„	10 × 12	=	120	–	–
1 Blacksmith	„	15 × 12	=	180	–	–
1 Hammerman	„	6 × 12	=	72	–	–
1 Bellowsman	„	7 × 12	=	84	–	–
1 Gomashta, 2nd class	„	40 × 12	=	480	–	–

	Rs.	*a.*	*p.*			
Compensation for dearness of food for 114 men, at *Rs.* 10 per annum each	1,140	–	–			
Material for repairs of gear, at *Rs.* 5 per cent. on cost price of 10	125	–	–			
Clothing of 117 men, at *Rs.* 2. 8.	292	8	–			
Purchase of 25 bullocks, at *Rs.* 50 each	1,250	–	–			
Clothing of 200 bullocks, at *Rs.* 2 each	500	–	–			
Cost of 25 new saddles, at *Rs.* 10	250	–	–			
				3,557	8	–
TOTAL				*Rs.* 35,363	10	–

or *Rs.* 141. 7. each yearly.

The

The cost of maintaining a peace division of 100 camels is—

				Rs.			Rs.	a.	p.
Food						=	11,418	12	–
2 Jemadars			at	10	× 12	=	240	–	–
4 Duffadars			„	8	× 10	=	384	–	–
43 Surwans			„	6	× 12	=	3,096	–	–
1 Carpenter			„	10	× 12	=	120	–	–
Purchase of 10 camels			„		80	=	800	–	–
Compensation for dearness of provisions to 47 men drawing less than *Rs.* 10 per mensem, at *Rs.* 10 per annum each				*Rs.* 470	*a.* –	*p.* –			
Clothing of 49 men at *Rs.* 2. 8. each				127	8	–			
Renewal of 10 saddles yearly, at *Rs.* 15 each				150	–	–			
Gear at 10 per cent. on cost price of *Rs.* 6				60	–	–			
Materials for repairs of saddlery at 5 per cent. on cost price of *Rs.* 15				75	–	–			
							882	8	–
			TOTAL				*Rs.* 16,941	4	–

or *Rs.* 169. 6. each yearly.

The cost of maintaining a peace division of 50 army transport carts carrying 600 maunds—

				Rs.			Rs.	a.	p.
Feed of 100 bullocks						=	8,422	14	8
2 Jemadars			at	10	× 12	=	240	–	–
4 Duffadars			„	8	× 12	=	384	–	–
55 Drivers			„	6	× 12	=	3,960	–	–
1 Salutri			„	35	× 12	=	420	–	–
1 Shoeing-smith			„	15	× 12	=	180	–	–
1 Blacksmith			„	15	× 12	=	180	–	–
1 Hammerman			„	6	× 12	=	72	–	–
1 Bellowsman			„	6	× 12	=	72	–	–
1 Carpenter			„	10	× 12	=	120	–	–
1 Wheel-greaser			„	6	× 12	=	72	–	–
1 Gomashta, 3rd class			„	30	× 12	=	360	–	–
Material for repair of carts at *Rs.* 1. 4. per mensem each, grease included				*Rs.* 750	*a.* –	*p.* –			
Purchase of 10 new carts, at *Rs.* 250 each				2,500	–	–			
Cost of 10 bullocks yearly, at *Rs.* 50 each				500	–	–			
							3,750	–	–
							18,232	14	8
Compensation for dearness of food to 68 men, at *Rs.* 10 each per annum				*Rs.* 680	*a.* –	*p.* –			
Clothing for 76 followers, at *Rs.* 2. 8.				190	–	–			
Clothing for 100 bullocks, at *Rs.* 2 each				200	–	–			
							1,070	–	–
			TOTAL				*Rs.* 19,302	14	8

or *Rs.* 386. 1. each.

The cost of maintaining a peace division of 100 light carts carrying 600 maunds is—

				Rs.			Rs.	a.	p.
Feed of 1,000 mules						=	8,489	9	4
2 Jemadars			at	10	× 12	=	240	–	–
4 Duffadars			„	8	× 12	=	384	–	–
110 Drivers			„	6	× 12	=	7,920	–	–
1 Salutri			„	35	× 12	=	420	–	–
1 Shoeing-smith			„	15	× 12	=	180	–	–
1 Blacksmith			„	15	× 12	=	180	–	–
2 Saddlers			„	12	× 12	=	288	–	–
1 Hammerman			„	6	× 12	=	72	–	–
1 Bellowsman			„	6	× 12	=	72	–	–
1 Carpenter			„	10	× 12	=	120	–	–
1 Wheel-greaser			„	6	× 12	=	72	–	–
1 Gamashta, 3rd class			„	30	× 12	=	360	–	–
Material for repair of carts, including grease, at *Rs.* 1. 4. per cart per mensem				*Rs.* 1,500	*a.* –	*p.* –			
Purchase of 10 new carts, at *Rs.* 200 each				2,000	–	–			
„ of 10 mules yearly, at *Rs.* 150 each				1,500	–	–			
Clothing of 116 men, at *Rs.* 2. 8. each				290	–	–			
„ of 100 mules, at *Rs.* 2 each				200	–	–			
Compensation for dearness of food for 117 men, at *Rs.* 10 each per mensen				1,170	–	–			
							6,660	–	–
			TOTAL				*Rs.* 25,526	9	4

or *Rs.* 254. 3. each yearly.

The cost of officers to be added to the Commissariat Department will be—

	Per Mensem.			Per Annum.			Total.		
	Rs.	*a.*	*p.*	*Rs.*	*a.*	*p.*	*Rs.*	*a.*	*p.*
Officer at head of Department with Army Commission rate of pay for Commissary General of army corps	2,000	–	–	24,000	–	–	24,000	–	–
Office estimated at	500	–	–	6,000	–	–	6,000	–	–
							30,000	–	–
Bengal Army:									
1 Deputy Commissary General (Lieutenant Colonel)	1,827	14	–	21,934	8	–			
1 Assistant Commissary General, 1st class (Major)	1,440	14	–	17,290	8	–			
1 Assistant Commissary General, 2nd class (Major)	1,240	14	–	14,890	8	–			
1 Deputy Assistant Commissary General, 1st class (Captain)	874	1	6	10,489	2	–			
1 Deputy Assistant Commissary General, 2nd class (Captain)	774	1	6	9,289	2	–			
2 Sub-Assistant Commissary Generals, 1st class (Lieutenants)	1,051	8	–	12,618	–	–			
							86,511.12	–	
Offices estimated at *Rs.* 250 × 7	1,750	–	6	21,000	–	–	21,000	–	–
							1,07,511	12	–
Punjab Army:									
1 Assistant Commissary General, 2nd class (Major)	1,240	14	–	14,890	8	–			
1 Deputy Assistant Commissary General, 1st class (Captain)	874	1	6	10,489	2	–			
1 Deputy Assistant Commissary General, 2nd class (Captain)	774	1	6	9,289	2	–			
							34,668	12	–
Offices estimated at *Rs.* 250 × 3	750	–	–	9,000	–	–	9,000	–	–
							43,668	12	–
Bombay Army:									
1 Assistant Commissary General, 1st class (Major)	1,440	14	–	17,290	8	–			
1 Deputy Assistant Commissary General, 2nd class (Captain)	774	1	6	9,289	2	–			
2 Sub-Assistant Commissary Generals, 1st class (Lieutenants)	1,051	8	6	12,618	–	–			
							39,197	10	–
Offices estimated at *Rs.* 250 × 4	1,000	–	–	12,000	–	–	12,000	–	–
							51,197	10	–
Madras:									
1 Assistant Commissary General, 1st class (Major)	1,440	14	–	17,290	8	–			
1 Deputy Assistant Commissary Geniral, 1st class (Captain)	874	1	6	10,489	2	–			
1 Deputy Assistant Commissary General, 2nd class (Captain)	774	1	6	9,289	2	–			
2 Sub-Assistant Commissary Generals, 1st class (Lieutenants)	1,051	8	–	12,618	–	–			
							49,686	12	–
Offices estimated at *Rs.* 250 × 4	1,000	–	–	12,000	–	–	12,000	–	–
							61,686	12	–
				Grand Total		*Rs.*	2,94,065	14	–

WARRANT OFFICERS.

		Per Mensem.	Per Annum.	Total.
BENGAL:		*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*
1 Deputy Assistant Commissary	at 300 =	300 – –	3,600 – –	
6 Conductors - - - -	„ 160 =	960 – –	11,520 – –	
9 Sub-Conductors - - -	„ 125 =	1,125 – –	13,500 – –	
				28,620 – –
MADRAS:				
1 Deputy Assistant Commissary	„ 300 =	300 – –	3,600 – –	
3 Conductors - - - -	„ 160 =	480 – –	5,760 – –	
4 Sub-Conductors - - -	„ 125 =	500 – –	6,000 – –	
				15,360 – –
BOMBAY:				
1 Deputy Assistant Commissary	„ 300 =	300 – –	3,600 – –	
2 Conductors - - - -	„ 160 =	320 – –	3,840 – –	
3 Sub-Conductors - - -	„ 125 =	375 – –	4,500 – –	
				11,940 – –
			TOTAL - - - *Rs.*	55,920 – –

Total of Officers and Warrant Officers *Rs.* 3,49,985. 14.

The cost of a cooly corps of 300 men would be—

		Rs. a. p.
6 Sirdars - - - - - - - - -	at 14 × 12	1,008 – –
12 Mates - - - - - - - - -	„ 10 × 12	1,440 – –
300 Coolies - - - - - - - - -	„ 8 × 12	28,800 – –
Compensation at *Rs.* 10 per annum for 318 men - - - -		3,180 – –
Clothing at *Rs.* 2-8 per annum each - - - - - -		795 – –
TOTAL - - -	*Rs.*	35,223 – –

AMBULANCE.

The per-centage of sick transport which the State should keep up is laid down in the memorandum made out by the Surgeon General, of which a copy is attached, at 5 per cent. for troops in the field.

2. This per-centage, and the organisation of bearer-columns, as recommended in the memorandum, are adopted in this paper.

3. The Surgeon General, however, has dealt only with Bengal, including the Punjab, and his proposals, so far as the number of bearers to be maintained is concerned, are based on the numbers at present employed by Government; and for Bengal, including the Punjab, he allots a bearer-column to each military division or district, which gives a strength of sick transport in doolies and dandies to meet the requirements of 20,000 to 25,000 men.

But the numbers of bearers heretofore employed have been scattered over India, and have been, like other transport, of an unorganised character, and it does not follow that the same number will be required when the service is placed on an organised footing.

The consideration of the amount of sick transport to be maintained should not be based on the means at disposal of Government, but just as army transport should be regulated by the number of troops to be held in readiness to move, so should the strength of sick transport be regulated.

4. It is evident also that, supposing sick transport to be maintained for, say 10,000 troops in each army corps area, if there is a necessity for concentrating troops in any one area, the sick transport of that area is available, and also at least two-thirds of the sick transport of the other army corps, and that in this way in a very short time sick transport for 30,000 men could be collected at any point.

This mobile character of sick transport should enter largely into the consideration of the amount required for the different army corps, the frontiers, as in the case of army transport, being considered separately.

5. The sick transport, like army transport, must be under the supreme control of the military commanders; but its organisation and administration in every respect should rest entirely with the Army Medical Department.

The Surgeon General proposes to frame rules for the training and working of the bearer-columns; all that is necessary in this paper is to ascertain the numbers required and estimate the cost.

6. The troops required to be held in readiness to move at any moment are the troops guarding the frontiers.

These consist of—

(*a*).—The Punjab Frontier Force, which will be equipped with half-transport, and be ready to move. The strength of the troops thus held in readiness is equal to half the Punjab Frontier Force, viz.:—

	Men.
6 Regiments Native Infantry, or - - - - - - -	4,200
3 Regiments Native Cavalry, or - - - - - - -	1,350
2½ Mountain Batteries, or - - - - - - - -	375
TOTAL - - -	5,925

For this strength 5 per cent. sick transport is required, as follows:—

2 per cent. Doolies,
1 per cent. Dandies,
2 per cent. Camels, with kajawahs, viz.:—

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Camels.	Jemadar.	Duffadars.	Surwans.
10	20	960	120	60	60	1	2	30

Surwans for camels for sick transport are allowed at one to two camels.

This sick transport may conveniently be divided into five bearer-columns of about 200 bearers, each with proportion of camels and establishment at the five larger stations held by the Punjab Frontier Force.

(*b*.)—One-half of the troops in the Eastern Frontier is—

2 Regiments Native Infantry, or - - - - 1,400 men.

These are to be equipped with 5 per cent. sick transport, viz.:—

2 per cent. Doolies,
1 per cent. Dandies,
2 per cent. Mules or Ponies, viz.:—

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Mules or Ponies.	Jemadars.	Duffadars.	Drivers.
2	4	224	28	14	28	–	–	14

Mule

Mule drivers for sick transport are allowed at 1 to 2.

This sick transport may be left as one bearer column.

(*c.*)—One-half of the troops in Burma is—

	Men.
1 Regiment British Infantry, or - - - -	900
2½ Regiments Native Infantry, or - - - -	1,750
1 Mountain Battery, or - - - - -	150
½ Company Sappers, or - - - - -	60
TOTAL - - -	2,860

The requirements are—

2 per cent. Doolies,
1 per cent. Dandies,
2 per cent. Mules or Ponies, viz.:

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Mules or Ponies.	Jemadars.	Duffadar.	Drivers.
5	9	464	58	29	58	–	1	29

or two bearer-columns.

(*d.*)—One-half of the troops in Sind is—

	Men.
1 Regiment British Infantry, or - - - -	900
1½ Regiment Native Infantry, or - - - -	1,050
1½ Battery, or - - - - - -	255
1 Native Cavalry, or - - - - - -	450
TOTAL - - -	2,655

whose requirements are—

2 per cent. Doolies,
1 per cent. Dandies,
2 per cent. Camel kajawahs, viz.:

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Camels.	Jemadars.	Duffadar.	Surwans.
4	9	432	54	27	27	–	1	14

or two bearer-columns.

7. The following table shows the total of sick transport required to equip the troops

troops guarding the frontiers, one warrant officer of the Army Medical Department being added to each bearer-column :—

	Number of Bearer-columns.	Warrant Officers.	Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Camels with Kajawahs.	Mules or Ponies.	Camel Attendants.			Mule Attendants.		
										Jemadar.	Duffadars.	Surwans.	Jemadars.	Duffadars.	Drivers.
(*a.*) Punjab Frontier -	5	5	10	20	960	120	60	60	–	1	2	30	–	–	–
(*b.*) Eastern Frontier	1	1	2	4	224	28	14	–	28	–	–	–	–	1	14
(*c.*) Burma - -	2	2	5	9	464	58	29	–	58	–	–	–	–	1	29
(*d.*) Sind - - -	2	2	4	9	432	54	27	27	–	–	1	14	–	–	–
Total - -	10	10	21	42	2,080	260	130	87	86	1	3	44	–	2	43

8. The following query now remains for consideration. How much sick transport should be maintained with each army corps ?

The reply to this query is this : at least so much must be maintained as will admit of—

(*a.*) The equipment of the number of fighting men which it is considered necessary to hold in readiness for concentration within each army corps area.

(*b.*) The equipment of the number of fighting men it is considered necessary to be in a position to concentrate at a seaport.

These numbers have been stated in the scheme for army transport, and have received the approval of His Excellency the Commander in Chief.

The reply to query (*a*) is therefore—

	Men.
Punjab Army - - - - - - -	10,000
Bengal „ - - - - - -	10,000
Bombay „ - - - - - -	8,000
Madras „ - - - - - -	5,000

The reply to query (*b*) is, 10,000 men should always be ready for concentration at a seaport.

9. In the memorandum of the Surgeon General, the description of sick transport for military operations other than on the frontier is given as—

Doolies, dandies, and wheeled conveyances, *i.e.*, ambulance carts ; and in making provision for the above requirements, the mobile character of all such transport very largely affects the question.

10. The following is the sick transport required for 10,000 men, calculating at 2 per cent. doolies, 1 per cent. dandies, 2 per cent. ambulance carts, carrying four men each :—

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Ambulance Carts.	Bullocks.	Jemadars.	Duffadars.	Drivers.
16	32	1,600	200	100	50	100	5	10	50

11. It

11. It has already been pointed out that two-thirds of the sick transport of each army corps is available for movement by rail to another army corps area or to a seaport.

In the case of concentration of troops within any army corps area, the whole of the sick transport of that area is available, *plus* two-thirds of each of the other three.

In the case of concentration of troops at a seaport, the whole of the sick transport is not available from any single area, but two thirds of the sick transport of each army corps is all that is available. This then is the maximum requirement: and if two-thirds of the sick transport of the four army corps when concentrated is equal to the requirements of 10,000 men, this would cover the strength of sick transport which the State should keep up.

12. The following table shows the amount of sick transport to be kept up:—

—	Number of Bearer-Column.	Warrant Officers.	Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Jemadars.	Ambulance Carts.	Duffadars.	Drivers.	Bullocks.
Bengal Army	3	3	7	15	730	90	45	20	2	4	20	40
Add 10 per cent.	–	–	1	1	73	–	–	–	–	–	2	4
Balance of equipment for 10,000 men and 10 per cent.	–	–	–	–	–	130	65	35	–	–	–	–
TOTAL BENGAL	3	3	8	16	803	220	110	55	2	4	22	44
Punjab Army	3	3	7	15	730	90	45	20	2	4	20	40
Add 10 per cent.	–	–	1	1	73	–	–	–	–	–	2	4
Balance of equipment for 10,000 men and 10 per cent.	–	–	–	–	–	130	65	35	–	–	–	–
TOTAL PUNJAB	3	3	8	16	803	220	110	55	2	4	22	44
Bombay Army	3	3	6	12	580	72	36	16	2	3	16	32
Add 10 per cent.	–	–	1	1	58	–	–	–	–	–	2	4
Balance of equipment for 8,000 men and 10 per cent.	–	–	–	–	–	104	52	28	–	–	–	–
TOTAL BOMBAY	3	3	7	13	638	176	88	44	2	3	18	36
Madras Army	2	2	4	7	360	44	22	11	1	2	11	22
Add 10 per cent.	–	–	–	1	36	–	–	–	–	–	1	2
Balance of equipment for 5,000 men and 10 per cent.	–	–	–	–	–	66	33	17	–	–	–	–
TOTAL MADRAS	2	2	4	8	396	110	55	28	1	2	12	24
GRAND TOTAL	11	11	27	53	2,640	726	363	182	7	13	74	148

The supervising element has been made slightly stronger in proportion to the numbers than laid down by the Surgeon General; this is necessary, as in case of the concentration of two-thirds of the sick transport of any army corps, the remaining one-third must be the nucleus which would be at once recruited

and raised to full strength, and the staff of this nucleus must be complete. Ten per cent. spare all round has been added, and Government should have within each army corps area the full equipment, with 10 per cent. spare for the full strength of the troops likely to be concentrated within it; so that if concentration became necessary, the bearer-columns would be sent complete, and find equipment in doolies, dandies, and carts ready for them.

These have been added in the table above.

13. The following table shows the totals of the two-thirds sick transport of each army corps when concentrated.

Equipment is not entered, as provision has been made for it within each army corps area:—

	Number of Bearer-Columns.	Warrant Officers.	Sirdars.	Mates.	Bearers.	Bullocks.	Jemadars.	Duffadars.	Drivers.
Bengal - - -	2	2	3	11	535	30	1	3	15
Punjab - - -	2	2	3	11	535	30	1	3	15
Bombay - - -	2	2	5	9	425	24	1	2	12
Madras - - -	1	1	3	5	265	16	- -	1	8
TOTAL - - -	7	7	14	36	1,760	100	3	9	50

This is sick transport, with 10 per cent. spare, of bearers for 10,000 men.

14. The total ambulance it is proposed to maintain in India is given in the following Table:—

	Number of Bearer-Columns.	Warrant Officers.	Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Camels with kajawahs.	Mules or Ponies.	CAMEL ATTENDANTS.			MULE ATTENDANTS.			Ambulance Carts.	Bullocks, Draught.	BULLOCK ATTENDANTS.		
										Jemadars.	Duffadars.	Surwans.	Jemadars.	Duffadars.	Drivers.			Jemadars.	Duffadars.	Drivers.
Frontier Forces - -	10	10	21	42	2,080	260	130	87	86	1	3	44	–	2	33	–	–	–	–	–
Army Corps - -	11	11	27	53	2,640	726	363	–	–	–	–	–	–	–	–	182	148	7	13	74
TOTAL - - -	21	21	48	95	4,720	986	493	87	86	1	3	44	–	2	33	182	148	7	13	74

15. The capabilities of this scheme for sick transport are—

(*a*)—It provides sick transport for all the troops that are ready to move to protect the different frontiers.

(*b*)—It provides for sick transport for 10,000 men capable of concentration at any point, leaving a nucleus for expansion of one-third of its full complement with each army corps and leaving the frontier troops equipped.

(*c*)—It provides full equipment for 10,000 men in each of the army corps of Bengal and Punjab, 8,000 men in Bombay, and 5,000 men in Madras.

The total cost is yearly *Rs.* 3,61,899-12.

16. The

16. The following are the calculations:—

		Rs. a. p.	Rs. a. p.
21 Warrant officers, estimated at an average of *Rs.* 100 each	= 2,100 × 12	- - -	25,200 - -
48 Sirdars - -	at 9 × 12 =	5,184 - -	
95 Mates - -	„ 7 × 12 =	7,980 - -	
4,720 Bearers - -	„ 5 × 12 =	2,83,200 - -	
			2,96,364 - -
Good-conduct pay at Surgeon General's estimate of *Rs.* 1 per man yearly - - - - - - -			4,863 - -
Clothing at *Rs.* 1 per man yearly - - - - - -			4,863 - -
Corps badges - ditto - - - - - - -			4,863 - -
Maintenance of 87 camels, at *Rs* 169-6 each - - - - -	=	Rs. a. p. 14,773 2 -	
Maintenance of 86 mules, at *Rs.* 154-9 each - - - - -	=	13,292 6 -	
Maintenance of 67 carts, at *Rs.* 403-12 each - - - -	=	27,051 4 -	
			55,116 12 -
Compensation for dearness of provisions for 4,983 men at *Rs.* 10 each per annum - - - - - - -			49,830 - -
			4,41,099 12 -
From this sum the following may be deducted on account of punkah-pulling, &c. of the men employed with the army corps, 2,640 men, at *Rs.* 5 per mensem, for six months -			79,200 - -
TOTAL - - -			3,61,899 12 -

The nomenclature at present in use of sirdars, mates and bearers has been retained in preference to those used in the memorandum of the Surgeon General.

From the Commissary General, Calcutta, to the Secretary to the Government of India, Military Department,—No. 1506, dated 14th February 1882.

With reference to letter No. 198 ($\frac{\text{Commissariat Department}}{\text{Carriage}}$), dated 17th January 1882, requesting that, in communication with Deputy Commissary General for Transport, information be furnished as to the progress made in substituting Government carriage for hired moveable column carriage throughout the three Presidencies, I have the honour to forward extract, paragraphs 1 and 2, from a letter No. 1135, dated 23rd January 1882, from Lieutenant-Colonel Low, in which particulars are given regarding extent to which Government animals in Bengal have replaced and will replace hired transport of moveable columns.

* Letter No. 1200, dated 1st February 1882.

2. Lieutenant Colonel Low further reports* that from information obtained from the Commissaries General, Bombay and Madras, the numbers of Government animals employed for army transport purposes within their Presidencies are as detailed in the margin,† and have been included in the calculation of the scheme prepared by him, and submitted to Government with my No. 1196, dated 6th February 1882.

†	Elephants.	Camels.	Mules.	Bullocks.
Bombay - -	54	179	521	471
Madras - -	169	397	807	1,575
TOTAL -	223	576	1,328	2,046

3. On receipt of Lieutenant Colonel Low's No. 1135, dated 3rd January 1882, I deemed it necessary to make enquiries on certain points, hence the delay in submitting this report.

EXTRACT from Letter No. 1135, dated Calcutta, 23rd January 1882, from Lieutenant Colonel *R. C. Low*, C.B., Deputy Commissary General, Transport, to the Commissary General.

In reply to your No. 556 of 19th instant, I have the honour to state that as regards Bengal the moveable column carriage at station of Rawal Pindi has been reduced to the extent of the depôt animals, except for tents for which camels are retained.

The moveable column carriage at Sialkot has been reduced, and consists of Government mules, except for the carriage of E. P. tents, for which 83 camels are kept up.

The moveable column carriage at Meean Meer has been reduced, except for carriage of E. P. tents, for which 92 camels are retained.

The moveable column carriage at Mooltan has been reduced to the full extent of the depôt.

The moveable column carriage at Peshawar has been reduced to the full extent of the transport depôt, and further to the extent equivalent of 205 Maltese platform carts.

The moveable column carriage at Umballa has been reduced to the exent of the animals * that arrived there with King's Own Borderers Regiment.

* *Note.*—The number of mules that arrived at Umballa with King's Own Borderers was 138. Letter No. 1109, dated 3rd February 1882, from Deputy Commissary General, Transport.

2. The following movements have been ordered:—

200 mules to Jullunder,
150 „ to Umballa,
200 „ to Meerut,
300 „ to Lucknow,
200 „ to Allahabad,

and the moveable column carriage at these stations will be reduced to the equivalent of the above number of animals on their arrival.

The following Return shows the general result of the foregoing:—

RETURN shewing the Government Animals on moveable Column Strength.

Stations.	Mules.	Ponies.	Carts.	Bullocks.	REMARKS.
Peshawar	1,000		205	410	
Rawal Pindi	504	—	—	—	
Meean Meer	662	—	—	—	
Mooltan	498	—	—	—	
Sialkot	332				150 mules not yet arrived.
Umballa	288	—	—	—	
Jullunder	200				Ordered, not yet arrived.
Meerut	200	—	—	—	
Lucknow	300	—	—	—	
Allahabad	200	—	—	—	

From Colonel *G. Chesney*, Secretary to the Government of India, Military Department, to the Commissary-General, Bengal, No. 574 D., dated 1st March 1882.

WITH reference to your No. 1196, dated 6th February 1882, I am directed to forward, for your information, the accompanying copy of a Memorandum on Lieutenant-Colonel Low's transport scheme, showing the opinion recorded by the Commander-in-Chief on the several questions which were placed before His Excellency.

2. The Government of India have, I am to say, accepted His Excellency's views on these points, and I am now to request that Lieutenant-Colonel Low may be directed to give effect to the decisions arrived at as soon as possible.

3. The five forces specified in the Memorandum should be equipped with transport without delay, and Lieutenant-Colonel Low, in communication with the Quartermaster-General, should ascertain and inform the Government of India of the exact corps and batteries which His Excellency the Commander-in-Chief desires to have so equipped, in order that all moveable column hired transport at present kept up for these forces may be discharged.

4. With regard to the transport which is to be kept up at depôts, the calculation of the number of animals required has still to undergo alteration, to meet the wishes of the Commander-in Chief for reducing the transport at Quetta, and increasing that in the Punjab above what was proposed in Lieutenant-Colonel Lowe's previous scheme; and Lieutenant-Colonel Low should be requested

requested to revise his estimate as soon as possible, in order that the distribution of transport to depôts throughout the country may be promptly effected, and moveable column transport discharged.

5. The Government of India desire that the expense of the new scheme may be simultaneously met by reduction in the cost of the old, and to this end I am to request that as Government transport is marched forward to stations, reductions may as soon as possible be made in the moveable column transport which it is to replace. In fact the Government of India are of opinion that in many cases the old carriage might be discharged before arrival of the new, and where His Excellency the Commander-in-Chief has no objection, this arrangement should be given effect to.

6. From the statement forwarded with your No. 1506, dated 14th February 1882, it appears that considerable progress has been made in the reduction of moveable column carriage in stations where Government carriage has been substituted, and I am to request that Lieutenant-Colonel Low may be directed to forward, for the information of Government, bi-monthly returns showing what further progress is being made in this respect.

7. With regard to the sale of animals which may be surplus to the scheme, as it may be finally amended, with reference to the memorandum of the committee now forwarded, I am to say that as it appears probable that no ponies will be required, instructions should be issued to sell them off to the best advantage to Government. With respect to the other animals detailed under VI. of the accompanying memorandum, viz., yaboos, donkeys, and pack bullocks, all that are surplus to the requirements of the scheme should be at once disposed of.

8. Lieutenant-Colonel Low should be requested to forward a return of these sales, showing the total number of animals discharged from the time of his appointment up to date, and to continue the return bi-monthly.

9. The grant of regimental allowances to officers, non commissioned officers and men in charge of regimental transport is sanctioned, but on the distinct understanding that the cost of this measure is met from reductions in the present system of moveable column establishments. It is to be clearly understood that Lieutenant-Colonel Low, in remodelling his estimates, must provide that the expense to be incurred on the whole scheme must not exceed that of the present system.

10. The Government of India recognise the necessity for providing the Deputy Commissary-General for Transport, in order to carry out the details of his scheme, with a staff of officers, warrant and non-commissioned officers. Transport in regimental charge will need to be carefully inspected and fully equipped, and considerable supervision will be required both for this kind of transport and that at depôts.

11. With this object in view, I am to request that Lieutenant-Colonel Low may be asked to submit the names of any officers he would desire to have associated with him in the transport service, showing opposite the name of each the position which it is proposed he should hold, together with the provisional pay to be allotted to the appointment. It should be understood that the appointments can only be made for the present provisionally and pending the sanction of Her Majesty's Government being obtained to the details of the transport service of the future.

12. In preparing the list, Lieutenant-Colonel Low should be directed to revise his proposals to the following extent.

13. The pay of the appointment of Deputy Commissary-General for Transport, held by Lieutenant-Colonel Low, should remain as at present.

14. No other officer in this grade should be provided for in the transport scheme, as the Government of India consider that an officer of the grade of Assistant-Commissary General will suffice, as the senior for the forces in Bengal, the Punjab, Bombay, and Madras. Any unemployed officers who may be fit for transport duties should as far as possible be nominated to the new service.

15. The exact relation of these officers in their working with the military authorities, yourself and Lieutenant-Colonel Low, particularly with regard to the channel of communication with the other presidencies, will be hereafter clearly defined.

16. The number of warrant officers proposed in Lieutenant-Colonel Low's scheme appears excessive. The Government of India concur in the view expressed in para. 12 of your No. 1196, dated 6th February 1882, that it is by no means necessary that the establishment of European subordinates should consist entirely of warrant officers, and therefore a proportion of the establishment should be made to include non-commissioned officers, and the list now under preparation should be revised accordingly.

Copies forwarded to—
The Quartermaster General in India, for His Excellency the Commander-in-Chief's information.
The Accountant General, Military Department, for information.

TRANSPORT.

MEMORANDUM dated 22nd February 1882.

THE obligatory forces to be equipped with transport in regimental charge are as follows:—

1. The Quetta force, to which has been allotted—First, a moveable column consisting of—

½ Mountain Battery,
½ British Infantry Regiment,
1 Native Infantry Regiment,
1 Squadron Native Cavalry,

with transport for full Kabul scale and five days' provisions.

Second, the outposts of Shah-rig, Khush-dil Khan, and Gulistan, to which have been allotted transport to enable half these garrisons to move out with one day's supplies, blankets, and 200 rounds.

Both the above have been allotted in mules, and the total number of mules required is 1,246, as shown in the following Tables:—

TABLE A.—Showing the Transport required on full Kabul Scale for Moveable Column at Quetta.

REGIMENT.	European Officers.	Native Officers.	European Non-commissioned Officers.	Native Non-commissioned Officers.	European Fighting Men.	Native Fighting Men.	Followers.	Maunds on Kabul Scale.	Mules.
½ Mountain Battery	1½	1	–	6	–	75½	115½	95	47½
½ European Regiment Infantry	15	–	32½	–	410	–	200½	650	325
1 Native Infantry Regiment	8	16	–	80	–	616	214	698	349
1 Squadron Native Cavalry	2⅔	4⅓	–	20	–	128	134⅓	102	51
Food for five days, as per Note below	–	–	–	–	–	–	–	320	160
TOTAL	27⅙	21⅓	32½	106	410	819½	664⅓	1,865	932½

Note.—Five days' food for			*Mds.*	*s.*	*ch.*
470 Europeans at 3½ lbs. each			99	38	4
947 Natives at 19½ chts.			143	1	7
665 Followers at 14⅔ chts.			77	2	8
	TOTAL		320	2	3

TABLE B.

TABLE B.—Showing the Transport required for Outposts in the Quetta Command.

REGIMENTS.	European Officers.	Native Officers.	Native Non-commissioned Officers.	Men, Native.	Followers.	Mules. Equipment, Three Blankets each.	Mules. Ammunition.	Maunds.
A.—Khush'dil Khan: 4 Companies, Native Infantry	4	8	40	308	39	15	29	88
B.—Shah-rig: 4 Companies, Native Infantry -	4	8	40	308	39	15	29	88
B.—Shah-rig: 2 Squadrons, Native Cavalry - -	6	8⅓	40	256	25	12¼	24½	73½
C.—Gulistan: 4 Companies, Native Infantry -	4	8	40	308	39	15	29	88
Ditto - - ½ Troop Native Cavalry - - -	1	1	5	32	7	1¾	6	15½
Food for one day as per Note below - - -	–	–	–	–	–	23½	–	47
TOTAL - - -	19	33⅓	165	1,212	149	82½	117½	400

200

Note.—One day's food for 19 Europeans at 3½ lbs. each - - - - - - -

			Mds.	s.	ch.
" "	1,410 Natives	at 19⅓ chts. - - - - - -	42	23	12
" "	149 followers	at 14⅝ chts. - - - - - -	3	18	8
		TOTAL - - -	46	34	3

The following is a copy of telegram submitted by me to Quartermaster General, and approved and despatched by Quartermaster General to General Commanding Quetta on the 21st instant:—

"Your transport to consist in future of—First, moveable column at Quetta as follows:—½ mountain battery, ½ regiment British Infantry, 1 regiment Native Infantry, 1 squadron Native Cavalry, fully equipped on Kabul scale, with five days' food, exclusive of fuel for men and grain and forage for animals, all told, this is 1,865 maunds. This is to be maintained in mules with 10 per cent. spare, namely, 1,026 mules. Second, outposts of Shah-rig, Khush-dil Khan, and Gulistan to have transport to enable one-half of each garrison to move out with one day's supply of food, blankets, and 200 rounds per man. This is to be maintained in mules with 10 per cent. spare; this is, all told, 220 mules. Third, the total transport to be maintained in your command is the total of first and second, namely, 1,246 mules, all of which are to be in regimental charge. Fourth, after retaining the above, the rest of the transport in your command to be sent to the base at Sibi, pending further orders. Fifth, the 3rd Native Infantry to be equipped with mules for its march to Cawnpore."

The arrangements for the Quetta transport are therefore completed, and it will consist now of 1,246 mules, which is the total of above tables with 10 per cent. spare, and is to be additional to the transport maintained in India, as per Military Department No. 1397, dated 28th December 1881.

2. The rest of the obligatory forces are to be equipped with one-half transport, and are—

(A.)—A brigade of all arms from the force in Sind.

(B.)—The Punjab Frontier Force.

(C.)—Portion of the army in the Punjab, consisting of four brigades of all arms.

(D.)—The force on Eastern Frontier.

(E.)—The force in Burma.

The one brigade of all arms in Sind requires as follows :—

	Camels.	Mules or Ponies.			Light Carts.	Total.			Maunds.	Remarks.
		For Pack.	For Puckals.	For Light Carts.		Camels.	Mules or Ponies.	Light Carts.		
1 Regiment British Infantry.	108	14	5	13	13	108	32	13	646	Weight for animals in columns 3 and 4 not included in maundage.
2 Regiments Native Infantry.	57	11	8	10	10	114	58	20	739	
1 Battery Field Artillery.	–	27	1	–	–	27	1	–	135	
1 Regiment Native Cavalry.	–	76	–	–	–	–	76	–	152	
Total - - -	–	–	–	–	–	249	167	33	1,672	

For infantry, carts are allowed for 100 rounds per man, mules for 30 rounds per man; the balance is given in camels. Cavalry is given mule transport.

3. The Punjab Frontier requires as follows (inclusive of what it at present has):—

One-half Transport for	Camels.	Mules for			Light Carts.	Total.			Maunds.	Remarks.
		Puckals.	Pack.	Carts.		Camels.	Mules or Ponies.	Light Carts.		
	1.	2.	3.	4.	5.					
5 Regiments Native Cavalry, each.	–	–	76	–	–	–	380	–	760	Weight for animals in columns 2 and 4 not included in maundage.
9 Regiments Native Infantry, each.	38	8	50	10	10	342	612	90	3,150	
2 Regiments in Hazara -	–	8	175	–	–	–	366	–	700	
Corps of Guides -	38	8	101	10	10	38	119	10	452	
5 Mountain Batteries -	–	2	48	–	–	–	250	–	480	
Total - - -	–	–	–	–	–	380	1,727	100	5,542	

For infantry, light carts are allowed for 100 rounds per man, mules for 30 rounds per man.

The balance given in pack transport consisting of mules and camels; cavalry and mountain batteries, also regiments in Hazara, being given mules.

The portion of the army in Punjab, consisting of four brigades of all arms, is to be equipped with one-half transport, as follows:—

One-half Transport for	Camels.	Mules or Ponies.			Light Carts.	Total.			Maunds.	Remarks.
		For Pack.	For Puckals.	For Light Carts.		Camels.	Mules or Ponies.	Light Carts.		
	1.	2.	3.	4.	5.					
4 Regiments British Infantry, each.	108	14	5	13	13	432	128	52	2,584	Weight of animals in columns 3 4 not included in maundage.
12 Regiments Native Infantry, each.	57	11	8	10	10	684	348	120	4,404	
4 Regiments Native Cavalry, each.	–	76	–	–	–	–	304	–	608	
4 Mountain Batteries, British, each.	–	67	1	–	–	–	272	–	536	
4 Companies Sappers, each.	14	7	1	–	–	56	32	–	336	
Total - - -	–	–	–		–	1,172	1,084	172	8,468	

For

For infantry, carts are allowed for 100 rounds per man, mules for 30 rounds per man, and the balance of weight required is given in camels, puckal animals extra.

5. The Eastern Frontier requires as follows :—

ONE-HALF TRANSPORT FOR	Elephants.	Camels.	Mules for		Coolies.	Light Carts.	TOTAL.			Elephants.	Maunds.	REMARKS.
			Puckals.	Pack.			Camels.	Mules.	Coolies.			
	1.	2.	3.	4.								
3 Native Infantry, each	12	–	8	85	–	–	–	279	–	36	1,050	Weight for animals in column 3 not included in maundage.
1 Native Infantry, Cachar.	10	–	8	100	–	–	–	108	–	10	350	
1 Mountain Battery -	–	–	2	67	–	–	–	69	–	–	134	
TOTAL - - -	–	–	–	–	–	–	–	456	–	46	1,534	

Elephants are allotted as per Military Department, No. 1111 D. of 16th November 1881 ; the balance is given in mules.

6 The force in Burma requires as follows :—

	Elephants.	Mules or Ponies.		TOTAL.		Maunds.	REMARKS.
		Puckals.	Pack.	Elephants.	Mules.		
	1.	2.	3.				
2 British Regiments, each - -	15	8	213	30	442	1,302	Weight for animals in column 2 not included in maundage.
5 Native Infantry - - -	8	8	115	40	395	1,750	
2 Mountain Batteries - - -	18	- -	- -	36	- -	540	
1 Company Sappers - - -	- -	1	86	- -	87	172	
TOTAL - - -	- -	- -	- -	106	924	3,764	

Elephants are allotted as per Military Department, No. 1111 D., of the 16th November 1881 ; the balance in given in mules.

7. The total transport to be maintained for the forces guarding the frontier is :—

	Camels.	Mules.	Light Carts.	Elephants.	Maunds.	REMARKS.
Portion of Army in Punjab - - - -	1,172	1,084	172	- -	8,468	
Punjab Frontier Force - - - - -	380	1,727	100	- -	5,542	
The Force in Sind - - - - - -	249	167	33	- -	1,072	
The Force in Eastern Frontier - - -	- -	456	- -	46	1,534	
The Force in Burma - - - - -	- -	1,124	- -	106	3,764	
TOTAL - - -	1,801	4,558	305	152	20,980	

The cost of foregoing transport is as follows:—

	Rs.	a.	p.	Rs.	a.	p.
152 elephants at Rs. 1,200 - - =	-	-	-	1,82,400	–	–
380 camels at „ 169* 6 a. 0 p. =	64,362	8	–			
1,421 camels at „ 80 hired rates =	1,13,680	–	–			
				1,78,042	8	–
4,558 mules, less 305, included in cost of carts=4,253 mules at Rs. 154 9 a. each.				6,57,354	5	–
305 carts at Rs. 255 4 a. 3 p. each - - - - -				77,856	–	3
				10,95,652	13	3
Cost of officers, warrant officers, offices as shown in paragraphs 15 and 16.				3,37,635	6	–
Cost of repair of buildings, Section VI. of scheme - -				7,500	–	–
Cost of ambulance as per scheme is * - - - - -				3,60,714	11	–
TOTAL - - -			Rs.	18,01,502	14	3

8. This sum admits of a further sum of *Rs.* 16,98,497. 1 *a.* 9 *p.* as transport expenditure to complete the 35,00,000 rupees as per reply from his Excellency the Commander in Chief, No. 111, in printed paper of précis of points determined at the meeting held in Quartermaster General's Office.

9. Of this sum *Rs.* 16,98,497. 1 *a.* 9 *p.*, 33,000 rupees must be put aside on account of followers' pensions; this is calculated according to page 4 of Civil Pension Code, which leaves *Rs.* 16,65,497. 1 *a.* 9 *p.* to be expended, and this would pay for approximately—

9,875 mules - - - - - - - - - =	19,750	maunds
or		
20,670 hired camels - - - - - - - - =	1,03,350	„
or		
4,284 A. T. carts - - - - - - - - =	51,408	„
or		
11,249 Government pack bullocks - - - - =	22,498	„

The cost of the transport allotted in the scheme to depôts, now that the camels are to be hired, would be as under:—

		Rs.	a.	p.	Rs.	a.	p.
448 elephants - - - - -	at	1,200	–	–	5,37,600	–	–
722 camels hired - - - -	„	80	-	–	57,760	–	–
1,677 mules - - - - - -	„	154	9	–	2,59,201	–	–
1,350 pack bullocks - - - -	„	141	7	–	1,90,940	–	–
796 A. T. carts - - - - -	„	386	1	–	3,07,305	–	–
50 light carts - - - - -	„	255	4	3	12,763	–	–
300 coolies - - - - -	„		—		35,223	–	–
	TOTAL - - -			Rs.	14,00,792	–	–

10. I propose the strength of depôts should be added to, and suggest the following in place of the allotment of the scheme. It will be observed that complete

* *N.B.*—Carts in ambulance scheme have been wrongly calculated at *Rs.* 403. 12. 0. They are here corrected to the proper figure, viz., *Rs.* 336. 1. 0; *see* detail of cost in the scheme, Section VII.

complete peace divisions of both pack and wheel transport are now as far as possible allotted in transport the property of Government:—

Depôts.	Elephants.	Camels.	Mules.	Pack Bullocks.	Army T. Carts.	Light Carts.	Coolies.	Maunds.
Rawal Pindi	40	33	500	–	50	–	–	2,390
Lahore	58	50	–	–	50	–	–	1,720
Meerut	30	50	750	–	50	–	–	2,800
Agra	25	100	–	–	50	–	–	1,475
Lucknow	96	74	–	–	50	–	–	2,410
Allahabad	16	–	–	(a) 500	100	–	–	2,440
Calcutta	54	–	–	–	75		–	1,710
Shillong	40	–	250	–	–	–	300	1,250
Jacobabad	15	130	–	–	50	–	–	1,475
Mhow	15	100	250	–	50	–	–	1,825
Poona	20	80	250	–	50	–	–	1,800
Secunderabad	14	100	250	–	50	–	–	1,800
Bangalore	20	–	250	–	75	–	–	1,700
Madras	5	–	100	(a) 250	100	–	–	1,975
Rangoon	–	–	–	(a) 750	–	50	–	1,800
Total	448	722	2,600	1,500	800	50	300	28,580

(a) These will, in the first instance, be mules as far as any surplus will admit to be replaced by hire pack bullocks as they die off or become unfit.

The cost of this transport will be--

		Rs.	a.	p.	Rs.	a.	p.
448	elephants	at 1,200	–	–	5,37,600	–	–
722	camels, hired	„ 80	–	–	57,760	–	–
2,600	Government mules	„ 154	9	–	4,01,862	8	–
1,500	pack bullocks	„ 141	7	–	2,12,156	4	–
800	A. T. carts	„ 386	1	–	3,08,850	–	–
50	light carts	„ 255	4	3	12,763	–	–
300	coolies				35,223	–	–
	Total	Rs.			15,66,214	12	–

11. The cost of the allowances now sanctioned for transport in regimental charge is 53,673 rupees, as follows:—

			Rs.	a.	p.	Rs.	a.	p.
A. Force in Sind.	1 British Infantry	1 Transport officer, European	at 30	–	–	360	–	–
		8 Non-commissioned officers, European	„ 15	–	–	1,440	–	–
	2 Native Infantry	2 Transport officers, European	„ 30	–	–	720	–	–
		16 Non-commissioned officers, Native	„ 2	14	–	552	–	–
	1 Native Cavalry	1 Transport officer, European	„ 30	–	–	360	–	–
		6 Non commissioned officers, Native	„ 2	14	–	207	–	–
	1 Field Artillery	1 Transport officer, European	„ 30	–	–	360	–	–
		1 Non-commissioned officer, European	„ 15	–	–	180	–	–
B. Punjab Frontier Force.	5 Native Cavalry	5 Transport officers, European	„ 30	–	–	1,800	–	–
		30 Non-commissioned officers, Native	„ 2	14	–	1,035	–	–
	9 Native Infantry	9 Transport officers, European	„ 30	–	–	3,240	–	–
		72 Non-commissioned officers, Native	„ 2	14	–	2,484	–	–
	2 Native Infantry	2 Transport officers, European	„ 30	–	–	720	–	–
		16 Non-commissioned officers, Native	„ 2	14	–	552	–	–
	Corps of Guides	1 Transport officer, European	„ 30	–	–	360	–	–
		6 Non-commissioned officers, Native	„ 2	14	–	207	–	–
	5 Mountain Batteries	5 Transport officers, European	„ 30	–	–	1,800	–	–
		5 Non-commissioned officers, European	„ 15	–	–	900	–	–

			Rs.	a.	p.	Rs.	a.	p.
C. Portion of the Army in Punjab.	4 British Infantry	4 Transport officers, European	at 30	–	–	1,440	–	–
		32 Non commissioned officers, European	„ 15	–	–	5,760	–	–
	12 Native Infantry	12 Transport officers, European	„ 30	–	–	4,320	–	–
		96 Non-commissioned officers, Native	„ 2	14	–	3,312	–	–
	4 Native Cavalry	4 Transport officers, European	„ 30	–	–	1,440	–	–
		24 Non-commissioned officers, Native	„ 2	14	–	828	–	–
	4 Mountain Batteries	4 Transport officers, European	„ 30	–	–	1,440	–	–
		4 Non-commissioned officers, European	„ 15	–	–	720	–	–
	4 Companies Sappers	4 Transport officers, European	„ 30	–	–	1,440	–	–
		4 Non-commissioned officers, European	„ 15	–	–	720	–	–
D Eastern Frontier.	3 Native Infantry	3 Transport officers, European	„ 30	–	–	1,080	–	–
		24 Non-commissioned officers, Native	„ 15	–	–	4,320	–	–
	1 Native Infantry	1 Transport officer, European	„ 30	–	–	360	–	–
		8 Non-commissioned officers, Native	„ 2	14	–	276	–	–
	1 Mountain Battery	1 Transport officer, European	„ 30	–	–	360	–	–
		1 Non-commissioned officer, European	„ 15	–	–	180	–	–
E Force in Burma.	2 British Infantry	2 Transport officers, European	„ 30	–	–	720	–	–
		16 Non-commissioned officers, European	„ 15	–	–	2,880	–	–
	5 Native Infantry	5 Transport officers, European	„ 30	–	–	1,800	–	–
		40 Non-commissioned officers, Native	„ 2	14	–	1,380	–	–
	2 Mountain Batteries	2 Transport officers, European	„ 30	–	–	720	–	–
		2 Non-commissioned officers, European	„ 15	–	–	360	–	–
	1 Company Sappers	1 Transport officer, European	„ 30	–	–	360	–	–
		1 Non-commissioned officer, European	„ 15	–	–	180	–	–
		TOTAL Rs.				53,673	–	–

12. It is not necessary to add to the strength of ambulance, as it will be observed that in the scheme itself full equipment is given to each army corps within its own area for the full number of troops likely to be ever required except at long notice.

13. The general result of the foregoing re-arrangement is as follows:—

	Rs.	a.	p.
Para. 7 shows the strength of transport in regimental charge and its cost	10,95,652	13	–
Officers, warrant officers, and offices, as per paras. 15 and 16	3,37,635	6	–
Buildings, as per para. 7	7,500	–	–
Ambulance, as per para. 7	3,60,714	11	–
Pensions, as per para. 9	33,000	–	–
Depôts, as per para. 10	15,66,214	12	–
Regimental allowances, as per para. 11	53,673	–	–
	34,54,390	10	–
Leaving a balance not expended of	45,609	6	–
To complete Rs.	35,00,000	–	–

14. The total transport to be maintained in India being as follows:—

	Elephants.	Camels.	Mules.	Pack Bullocks.	A. T. Carts.	Light Carts.	Coolies.	Maunds.
With Frontier Forces	152	1,801	4,558	–	–	305	–	20,980
At depôts and stations depending on them.	448	722	2,600	1,500	800	50	300	28,580
GRAND TOTAL	600	2,523	7,158	1,500	800	355	300	49,560

15. The

15. The following is a list of the officers I recommend, and the stations they should go to, their pay in each case being that of their grade:

Bengal	1 Assistant Commissary General, 1st class, Brevet Lieutenant-Colonel Hayter, Madras Staff Corps, to Meerut.
	1 Assistant Commissary General, 2nd class, Major S. Beckett, Bengal Staff Corps, to Allahabad.
	1 Deputy Assistant Commissary General, 1st class, Brevet Major Hobday, Commissariat, to Lucknow.
	1 Deputy Assistant Commissary General, 2nd class, Brevet-Major Elliot, 3rd Bengal Cavalry, to Agra.
	1 Deputy Assistant Commissary General, 2nd class, Captain Elliston, Bengal Staff Corps, to Shillong and Naga.
	1 Sub-Assistant Commissary General, 1st class, Lieutenant Lyons-Montgomery, Commissariat, to Meerut.
	1 Sub-Assistant Commissary General, 1st class, * * * * Calcutta.
Punjab	1 Assistant Commissary General, 2nd class, Brevet Lieutenant-Colonel Pennington, 13th Bengal Lancers, to Rawal Pindi.
	1 Deputy Assistant Commissary General, 1st class, Major Stewart, 3rd Native Infantry, to Mecan Meer.
	1 Deputy Assistant Commissary General, 2nd class, Captain Turnbull, 15th Bengal Cavalry, to Peshawar and Cherat in hot weather; Rawal Pindi in cold.

Madras and Bombay Governments being asked to nominate the following:

Madras	1 Assistant Commissary General, 1st class, to Bangalore.	
	1 Deputy Assistant Commissary General, 1st class, to Rangoon.	
	1 „ „ „ 2nd „ to Madras.	
	1 Sub-Assistant Commissary General, 1st class, to Secunderabad.	
	1 „ „ „ „ to Bangalore.	
Bombay	1 Assistant Commissary General, 1st class, to Poona.	Includes the administration of the Quetta transport.
	1 Deputy Assistant Commissary General, 2nd class, to Jacobabad.	
	1 Sub-Assistant Commissary General, 1st class, to Mhow.	
	1 „ „ „ „ to Poona.	

The cost of above with the reduction noted in paragraph 13 of Military Department No. 574-D of 1st March, inclusive of offices, is altogether *Rs.* 2,85,555. 6.

16. As regards warrant officers, and with reference to paragraph 16 of No. 574-D of 1st March, I recommend the following:

		Rs.	*Rs.*	*a.*	*p.*	*Rs.*	*a.*	*p.*
Bengal	1 Deputy Commissary at	300	3,600	–	–			
	5 Conductors „	160	9,600	–	–			
	7 Conductors „	125	10,500	–	–			
	10 Sergeants „	70	8,400	–	–			
						32,100	–	–
Madras	2 Conductors „	160	3,840	–	–			
	3 Sub-Conductors „	125	4,500	–	–			
	5 Sergeants „	70	4,200	–	–			
						12,540	–	–
Bombay	1 Conductor „	160	1,920	–	–			
	1 Sub-Conductor „	125	3,000	–	–			
	3 Sergeants „	70	2,520	–	–			
						7,440	–	–
			Total	–	–	52,080	–	–

These warrant officers, as far as Bengal is concerned, would be taken, some from the supernumeraries in the Commissariat and the remainder from men with regiments who have served with transport in the field, and are otherwise qualified.

Madras and Bombay would nominate their own.

17. There are two points which remain for consideration,

1st. Military Department No. 1397 of 28th December 1881 very distinctly laid down that the transport to be maintained in Quetta was to be outside the transport scheme for India; but in the reply by his Excellency the Commander in Chief to query No. 3 of the printed paper formerly alluded to, his Excellency includes the Quetta transport in the cost of frontier transport, and which his Excellency says is to be deducted from the gross total of 35 lakhs, and the balance spent in depôts, &c.

I have dealt with this question in accordance with the decision of Government contained in Military Department No. 1397; if this is now to be reversed and the cost of the Quetta transport is to be included in my calculation, it will have this effect.

The expense of the maintenance of the transport now allotted to Quetta is given in following table:

			Rs.	*a.*	*p.*
Feed of 1,246 mules	at *Rs.* 315 each	- - - -	3,92,490	–	–
Replacement of mules	„ 10 %=125×200	- - -	25,000	–	–
25 Jemadars	„ *Rs.* 20×12	- - - -	6,000	–	–
50 Duffadars	„ „ 15×12	- - - -	9,000	–	–
416 Drivers	„ „ 8×12	- - - -	39,936	–	–
491 Followers' rations	„ „ 80. 2. 9.	- - - -	39,364	6	3
491 Followers' warm clothing	„ „ 19. 2. 10.	- - - -	9,415	15	2
		TOTAL - -	5,21,206	5	5

If the transport to be maintained in the depôts in India is to be reduced to meet this expenditure, it will certainly leave the country dangerously weak. The cost of the depôt transport is given in paragraph 10 of this memorandum, and if 5,21,206 rupees was deducted from the total, it is equivalent to reducing the depôt carriage by one-third. This point requires a decision.

18. The second point is the utilization of siege train bullocks which has been approved of by his Excellency the Commander in Chief and determined on by Government. There is no reason why all the Army Transport carts in Bengal should not be equipped with siege train bullocks; this would take up 850 bullocks, or about one-half of the siege train bullocks which are maintained, and which would mean a saving of *Rs.* 850×141. 7.=1,20,220, and reduce the expenditure which is shown in this paper, paragraph 13, to be *Rs.* 34,54,390. 12. to the sum of 33,34,170 rupees, which would leave an unexpended balance of *Rs.* 1,65,829. 6. instead of *Rs.* 45,609. 6, stated in paragraph 13.

R. C. Low, Lieutenant Colonel.

From Colonel *G. Chesney*, Secretary to the Government of India, Military Department, to the Commissary General, Bengal, No. 720-D, dated 15th March 1882.

IN continuation of Military Department No. 574-D, dated 1st March 1881, and with reference to Lieutenant Colonel Low's amended transport scheme, submitted to Government in accordance with the decisions arrived at in the Military Department letter above quoted, I am now directed to convey to you the further orders of the Government of India on the questions remaining for decision in connection with the transport service.

2. Military Department letter No. 1397, of 28th December 1881, conveyed to you the decision of Government that the cost of the transport to be maintained for Quetta was to be considered apart from the general transport scheme for India; but his Excellency the Commander in Chief, in the memorandum

Military Department, No. 574-D, dated 1st March 1881.

which accompanied the letter marginally cited, proposed to include the cost of the Quetta transport in that of the general scheme.

3. Lieutenant Colonel Low shows that if the transport to be maintained in India is to be reduced to meet the expenditure involved in maintaining the transport at Quetta, it will result in reducing the depôt carriage by about one-third, which would render the depôts practically useless for the purpose they are intended to serve.

4. The expenses of maintaining the transport allotted to Quetta is shown to be 5,21,206 rupees; but the Government of India have reason to believe that this estimate is placed at too high a figure, and that it is probable that the cost of the feed of the transport animals to be there maintained is susceptible of some reduction. Taking this into account, therefore, the Government of India consider that it will be a proper solution of the question to decide that the cost of this Quetta transport shall be deducted from the general cost of the scheme, not at the high estimate given for the transport there maintained, but at a cost calculated at Indian rates of maintenance for both animals and establishments.

5. This

5. This decision will result in a reduction having to be made in the strength of the transport to be allotted to depôts equal to that maintained at Quetta.

6 It is observed from paragraph 10 of Colonel Low's amended calculations that he proposes that the strength of depôt transport shall be increased beyond the first estimate, and complete peace divisions of both pack and wheel transport are allotted in the table of the proposed strength of depôt transport.

7. The Government of India, whilst approving of the principle of allotting fixed units of transport on an expansible basis, are unable to sanction Colonel Low's proposal that the strength of the depôt transport shall be increased over what was originally proposed, and consider that this table should be again revised to the extent of reducing the allotments 10 per cent. in strength *plus* the reduction involved in the decision now arrived at, that the strength of depôt transport is to be *pro tanto* reduced to meet the cost of the Quetta transport.

8. The distribution of this amount of transport for the Bengal Presidency is a matter which should be considered as entirely at the discretion of His Excellency the Commander in Chief, and Lieutenant-Colonel Low, in communication with the Quartermaster General, should ascertain His Excellency's wishes in this respect; and in a similar manner to that detailed in paragraph 3 of the Military Department, No. 574-D., dated 1st March 1882, he should forward, for the information of Government, details of the distribution which His Excellency may finally settle, together with a list of the exact corps and batteries comprised in the five forces to be equipped with half regimental transport.

9. I am to request that this distribution may be shown in the finally-amended scheme, which is required for transmission to Her Majesty's Government as soon as it can be prepared.

10. With regard to the proposed utilisation of siege train bullocks, as referred to in paragraph 18 of Colonel Low's Memorandum, I am to say that there appears no reason why these animals should not be utilised in army transport carts in the manner proposed The saving involved by the adoption of this measure will amount to 1,20,220 rupees. His Excellency the Commander in Chief has already approved of the principle of freely using these animals; and I am to observe that provided the conditions required in the letter from the Adjutant General, No. 1187C. of 17th February 1882, on this subject, are met, these bullocks should be utilised to the greatest possible extent.

11. With regard to the grant of regimental allowances to officers, non-commissioned officers and men in charge of regimental transport, sanctioned in paragraph 9 of Military Department No. 574D., of 1st March 1882, the date from which the allowances referred to are admissible will be notified to you hereafter.

12. With regard to the staff of officers, warrant, and non-commissioned officers which the Deputy Commissary General has proposed to be associated with him in the transport service, I am to state, with reference to those proposed for Bengal and the Punjab, that the Government of India are unable to sanction any graded appointments until the approval of the Secretary of State has been obtained to the whole scheme of the transport service of the future.

13. It is, however, necessary that a certain number of officers should be provisionally attached to the Transport Department, to undertake the charge of the Government animals now belonging to it, pending the orders of the Secretary of State upon the scheme, and the Government of India authorise the temporary employment of 10 officers on this duty for the Bengal Presidency on rates of salary as per margin. Those nominated by the Deputy Commissary General for Transport are not, however, now all available, and he should therefore, in communication with the departments concerned, submit a revised list of officers who, he should be careful to ascertain, are actually available and will be permitted to proceed at once and undertake transport work at the stations named. The services of these officers will then be formally

Transport Officers.	Staff Pay per mensem.
2 Officers on each -	*Rs.* 500
3 ditto - ditto -	- 400
3 ditto - ditto -	- 300
2 ditto - ditto -	- 200

applied for, temporary promotions being made in their places, and probationers being nominated in the junior grades. Officers appointed to the transport under these terms should be clearly informed that their employment is for the present only temporary and provisional.

14. With regard to the warrant and non-commissioned officers required for Bengal, they may be provisionally appointed to the extent and on the rates of pay referred to in paragraph 16 of Lieutenant Colonel Low's amended Memorandum. As many as possible should be selected from the supernumeraries of the Commissariat Department, and when a list of the men required from regiments is furnished, the Government of India will ask the Commander in Chief to place their services at the disposal of Lieutenant Colonel Low for transport work.

15. There remains to determine how the transport service is to be dealt with in regard to Madras and Bombay, including the Quetta transport, which, although belonging properly to the latter presidency, must for the present be considered as appertaining to a force serving under the orders of His Excellency the Commander in Chief.

16. The Government of Madras and Bombay will now be communicated with regarding the arrangements to be made for the transport service in their presidencies.

17. In order to enable the Government of India to place before Her Majesty's Government, and to forward to the Governments of Madras and Bombay, the scheme for the transport service in a clear and connected shape, I am to request that Lieutenant Colonel Low may be called upon to finally revise his several memoranda, to carefully recast his estimates, and to submit the whole scheme worked out in accordance with the decisions of Government as previously and as here conveyed to you.

18. It is very desirable that the scheme should be thus prepared at an early date, and that, whenever practicable, information should be afforded showing how much of the various details have been given effect to, and how much there remains to do both in regard to the distribution of transport on the new system, and to the abolition of the moveable column hired transport under the old. The total amount of transport and establishments to be maintained and that available, showing deficiencies and surplus, and how it is proposed to meet one and dispose of the other, should be clearly set forth, and the cost and details of these calculations should be forwarded to the Government of India through the Comptroller of Military Accounts after the Deputy Commissary General for Transport has in personal communication with him discussed the various details of the scheme in its financial bearings. Lieutenant Colonel Low should remain in personal communication with the Controller till the latter has completed and shown to him his report on the estimate.

Copies, together with copies of Lieutenant Colonel Low's amended Memorandum, forwarded to—

The Adjutant General in India, for information.

The Quartermaster General in India, for information.

The Controller of Military Accounts, Bengal, for information and guidance.

The Accountant General, Military Department, for information.

Office Memorandum from Colonel *G. Chesney*, Secretary to the Government of India, Military Department, to the Secretary to the Government of India, Department of Finance and Commerce, No. 731D, dated 16th March 1882.

THE undersigned is directed to state that the Military Department has had under consideration during the last 10 months the organisation of a transport service for India. The matter is not yet in a sufficiently advanced stage to admit of its being laid before the Finance Department or reported to the Secretary of State; but the main principle involved in the scheme is the substitution of Government cattle for hired, and placing a part of the animals in regimental charge, so that officers and men may all be trained in the management of them, and in the duties connected with transport service which have to be performed in the field. And the object of this reference is to obtain the provisional sanction of the Finance Department to the allowances which it is proposed to give to the men and officers of regiments while so employed.

2. It is proposed to fix these at 30 rupees per mensem to officers, and 15 rupees and *Rs.* 2. 14. respectively to European and Native non-commissioned officers in charge of Transport; the estimated cost of these allowances for all India amounts to 53,673 rupees per annum.

3. This sum, however, as well as the whole cost of the scheme, will be met by the abolition of the present system of maintaining hired moveable column transport throughout the various commands in the country, which is already in course of being carried out.

4. The total cost of the old system of transport amounted to about 35 lakhs per annum, which sum has been fixed as the limit to regulate the cost of the new scheme, a safe margin being provided to ensure that the latter shall not exceed this limit.

5. The scheme is now being finally revised, and will form the subject of an early reference to the Finance Department, and to the Secretary of State, whose sanction has to be obtained to the proposed organisation of the future transport service on, it is hoped, a sound and economical footing.

6. The present reference is an urgent one, and it is desired to place the bulk of the transport animals now belonging to Government in regimental charge at once, and it is necessary to lay down the allowances to be given for the duty of looking after them.

7. It is suggested that the allowances might be given from the date at which the carriage is placed in regimental charge in each case.

8. The scheme is now undergoing final revision by the Deputy Commissary General for Transport, Lieutenant-Colonel Low, in personal communication with the Controller of Military Accounts, and will, when received, be forwarded for the information and approval of the Finance Department.

From Major-General Sir *C. M. MacGregor*, K.C.B., C.S.I., C.I.E., Quartermaster General in India, to the Secretary to the Government of India, Military Department,—(No. 1074 A.—"$\frac{\text{Transport}}{\text{Inland}}$,"—dated Simla, the 18th April 1882).

I AM directed by His Excellency to acknowledge the copy of your No. 720 D. (Commissariat Department—Transport), dated 15th March 1882, forwarded for information, together with copy of Lieutenant-Colonel Low's amended memorandum.

2. Sir Donald Stewart directs me to submit the following remarks on these papers for consideration of the Government of India in the Military Department.

3. I am, in the first place, to state that on reconsidering the Memorandum of the Committee assembled at this office on 16th February 1882, his Excellency wishes to make the answer to Question II. of that Memorandum referring to the transport of the Quetta force rather more definite.

4. The second paragraph of this answer states, that "the transport of this force to be separate from that allotted for Sind." I am now to state, in extension of this sentence, that Sir Donald Stewart considers that the principle upon which this transport is maintained in Quetta and Pishin is, that it is really a detachment from the bulk of the depôt carriage maintained in India. It is therefore entirely separate from, and in excess of, the transport for the brigade of all arms in Sind, and as such its employment at Quetta and Pishin is in accordance with the principle of supplying troops on service with carriage from any or all depôts, which is a main feature of the proposed scheme.

5. It follows from this, in His Excellency's opinion, that the consequent reduction of the depôt carriage adverted to in paragraphs 3, 4, and 5 of your No. 720 D. is just so long as this carriage is maintained in Quetta and Pishin, and that when it shall cease to be so employed it shall revert to the depôt carriage in India, bringing up its strength to the normal now decided on.

6. With reference to paragraph 6 of your No. 720 D., I am to state that the Commander-in-Chief fully approves of Lieutenant-Colonel Low's principle of allotting complete divisions of both pack and wheel transport to depôts. The total increase due to this cause shown in paragraph 10 of Lieutenant-Colonel Low's amended scheme is not large, viz., 28,580 maunds against 26,896 maunds in the previous distribution. The average cost ofthis depôt carriage is shown in the same paragraph to be about *Rs.* 55 per maund per annum, and at this rate the cost of the increased depôt carriage, viz., 1,684 maunds, would be 92,620 rupees, and is amply covered by the reduction of 1,20,220 rupees due to the employment of siege train bullocks adverted to in paragraph 18 of Lieutenant-Colonel Low's amended memorandum, still leaving 27,600 rupees to be added to the unexpended balance of 45,609 rupees stated in Lieutenant-Colonel Low's paragraph 13. On these grounds His Excellency trusts that Government will reconsider its decision to reduce by 10 per cent. the amount of 28,580 maunds of depôt carriage provided in the amended scheme.

7. In reference to paragraphs 8 and 9 of your letter, I am to state that the actual corps and batteries to which half regimental carriage is to be distributed is a detail which can be readily decided when the main questions of the transport scheme are finally promulgated.

8. With regard to paragraph 12 of your No. 720 D., and paragraphs 15 and 16 of Lieutenant-Colonel Low's amended scheme, Sir Donald Stewart is of opinion that the details of the proposed administrative and executive establishments require further consideration. They appear to amount to 3,37,635 rupees, or about 10 per cent. of the gross cost of the transport scheme, in addition to regimental allowances of 53,673 rupees for the executive charge of regimental transport costing 10,95,652 rupees. I am therefore to suggest a reduction in the establishment of officers for depôt charge which appears excessive, as his Excellency considers that one officer can look after the largest depôt without being of a superior grade in the department if he has a really good subordinate establishment. His Excellency strongly deprecates the formation of anything like a separate department for transport, and considers that it should be a branch

branch of, and administered by, the Commissariat Department; but that depôt transport as well as regimental transport should be under the direct control of general officers as regards working and efficiency, and that the officer in charge should be under the orders of the General Officer Commanding in regard to all executive functions. I am to add that His Excellency has observed that Lieutenant-Colonel Low is already irregularly corresponding directly with commanding officers in stations on transport matters, and considers that much inconvenience will result if this practice be not checked.

9. Referring to paragraph 14 of your No. 720 D., the Commander-in-Chief is not assured that "supernumeraries of the Commissariat Department" will furnish men of the stamp required for transport duty. For this employment none but good men should be taken; they should be young, strong, of good character, and proved ability in transport work.

10. Paragraph 15 of your No. 720 D. includes the Quetta transport as part of that belonging to the Bombay Presidency, but in the earlier paragraphs of this letter His Excellency's opinion is stated that it is a detatchment from the depôt carriage in India, and therefore does not specially belong to Bombay. I am to request that the further attention of Government may be directed to this point.

11. Lieutenant-Colonel Low's amended Memorandum, paragraph 5, details the transport proposed for the Eastern Frontier District. His Excellency considers that the number of mules provided is too large, and that coolies would be better in place of some of these animals, but the actual numbers of each will be recommended by His Excellency after reference now being made to the district concerned. I am to add that the boat establishment for this district appears to have been overlooked in this scheme.

12. Similarly in regard to paragraph 6 detailing the transport for the force in Burma, Sir Donald Stewart will refer to His Excellency the Commander-in-Chief, Madras, regarding its sufficiency, before finally accepting this proposal. In this command also the Commander-in-Chief believes that a boat establishment will also be required.

13. Paragraph 10 of the memorandum detailing the allotment of carriage to 15 depôts includes Shillong and Jacobabad as depôts. The Commander-in-Chief would prefer that the amount of carriage allotted to each of these places, viz., Shillong 1,250 maunds, Jacobabad 1,475 maunds, should be distributed to regiments in the Eastern Frontier District and Sind respectively, and in addition to the provision made in paragraphs 5 and 2, rather than retained as depôt carriage.

14. Finally, His Excellency the Commander-in-Chief wishes to point out that, even after settlement of all the points contained in the papers under consideration, this scheme does not embody any proposals for increasing the amount of carriage provided on emergency. It must not be lost sight of that rapid and simple expansibility is vital to the whole question, and unless it is clearly arranged for beforehand, there will be as great difficulty in getting the full amount of transport required on the outbreak of war as there was before.

No. 313. S.
D.

Government of India, Military Department, to the Secretary to the Government of Madras, Military Department.

Sir, Simla, 19 May 1882.

WITH reference to the Resolution of the Government of India, No. 1587-S.-D., dated 13th October 1881, regarding the question of organising a permanent transport service for India, I am directed to forward, for the consideration of his Excellency the Governor in Council, the accompanying copy of the revised proposals, drawn up by Colonel Low, C.B., for a system of army transport, which have been for some time past under the review of the Government of India.

2. I am to explain that the delay in communicating further information on this subject to the Government of Madras has been caused by the necessity for a reconsideration of Colonel Low's original proposals and estimates of their cost; and I am to invite attention to the marginally cited correspondence* which has meanwhile taken place, a perusal of which may prove of service to the Government of Madras in regard to the manner in which it may hereafter be considered desirable to apply the transport scheme to the Madras Presidency.

From Deputy Commissary General for Transport, No. 411, dated 18th October 1881.
Military Department, No. 1327-D., dated 19th December 1881.
From Commissary General, Bengal, No. 8186-A., dated 23rd December 1881.
From Commissary General, Bengal, No. 294, dated 11th January 1882.
From Commissary General, Bengal, No. 387, dated 13th January 1882.
Military Department, No. 207 D., dated 19th January 1882.
From Quartermaster-General in India, No. 460-C., dated 27th December 1881.
From Commissary General, Bengal, No. 1087, dated 3rd February 1882.
From Commissary General, Bengal, No. 1196, dated 6th February 1882.
From Commissary General, Bengal, No. 1506, dated 14th February 1882.
Military Department, No. 574-D., dated 1st March 1882.
Memorandum by Lieutenant Colonel Low, dated 22nd February 1882.
Military Department, No. 720-D., dated 15th March 1882.
Military Department, No. 731-D., dated 16th March 1882.

* Will follow.

3. The allotments of transport proposed in the scheme forwarded herewith may not be altogether suitable to the local conditions of the Madras Presidency; for instance, more carts may be required in such stations as Secunderabad, Bangalore, Madras, and Rangoon; but the Government of India desire that whatever alterations in these respects are necessary should, under the orders of his Excellency the Governor in Council, be given effect to in the application of the scheme to Madras.

4. It is observed also that, in accordance with certain recommendations of the Army Commission, Kampti and other stations in the Central Provinces* are included in the Mhow allotment of transport, and are thus removed from the Madras command. The stations referred to should be transferred to the Madras command, to which they belong, but the mistake should not affect the total amount of transport to be provided.

* Sitabuldi.
Hoshungabad.
Raipur.
Chanda.
Sironcha.

5. The Government of India having approved of the general scheme, and having sanctioned its application in detail to the Bengal Presidency, it now rests with the Government of Madras to apply those principles in the manner they may think best to the local condition of transport service in the Madras Presidency.

6. The main points on which uniformity is desired are—

I.—That a certain proportion of the transport should be in regimental charge, so that officers and men may gain experience in its management.

II.—The allowances to be paid to the officers and soldiers employed in the care of regimental transport will be on the uniform scale specified in paragraph 32 of Colonel Low's report, which accompanies.

III.—That the rest of the transport permanently maintained should be organised in depôts under the charge of transport officers.

IV.—These transport officers to be a branch of the Commissariat Department, and under the general orders of the Commissary General, but more immediately subordinate to the general officers of divisions and districts than are the officers of the regular Commissariat Department. The proposals on this head and the staff of officers proposed for the Madras Presidency are stated in paragraphs 15 and 5 of my letters of this date to the Quartermaster General in India and the Commissary General, Bengal, respectively.

V.—An ambulance establishment to be organised as part of the transport service, but as a separate sub-branch, subordinate to the Medical Department.

7. It has been considered a necessary condition of the proposed new organisations that the existing cost of moveable and out-station carriage in India shall not in the aggregate be exceeded in the cost which might be incurred in the establishment of any new transport service; and in view, therefore, to the application of the scheme to Madras as may be considered best according to local conditions, it has been necessary to consider what sum could be assigned to each presidency to spend on its transport (depôt) service, irrespective of that in regimental charge of the five obligatory forces guarding the frontiers. Inasmuch,

Inasmuch, however, as the scheme in its financial aspect embraces India as a whole, a comparison with present expenditure should be made for the whole of India and not for Madras only. Hitherto the amount expended on the moveable column transport in each of the presidencies has been as follows:

	Rs.
Bengal moveable column and station carriage - - -	23,06,175
Madras „ „ „ - - - -	7,15,052
Bombay „ „ „ - - - -	5,41,609

And after providing for the transport in regimental charge of the troops in Burma and the frontier brigades as above stated, the amount available for the Madras depôt transport service and ambulance is about four lakhs of rupees. According to Colonel Low's proposals, this sum would be appropriated in the following way, which, however, is herein set down as merely indicating the sort of organisation contemplated by the Government of India, and, subject to the conditions stated in paragraph 6, not as binding the Government of Madras in detail.

COST of Transport which may be maintained in Madras, not including the Transport in Regimental Charge of the Troops in Burma, but including the Rangoon Depôt.

	Elephants.	Camels.	Mules.	Pack Bullocks.	Army Transport Carts.	Light Carts.
Secunderabad - -	14	120	- -	- -	50	—
Bangalore - - -	20	- -	250	- -	100	—
Madras - - -	5	- -	- -	250	100	—
Rangoon - - -	- -	- -	- -	500	- -	50
TOTAL - -	39	120	250	750	250	50

		Rs.	*a.*	*Rs.*	*Rs.*
39 Elephants - - - - - - - -	at	1,200	— =	46,800	
120 Camels - - - - - - - -	„	80	— =	9,600	
250 Mules - - - - - - - -	„	154	9 =	38,641	
750 Pack Bullocks - - - - - - -	„	141	7 =	1,06,078	
250 Army Transport Carts - - - - - -	„	386	1 =	96,516	
50 Light Carts - - - - - - - -	„	255	4 =	12,763	
TOTAL available for Transport Depôts - - -					3,10,398

AMBULANCE for both Depôt and Frontier Forces.

Depôt Ambulance:

		Rs.		*Rs.*
2 Warrant Officers - - - - - - -	at	100 × 12	=	2,400
4 Sirdars - - - - - - - - -	„	9 × 12	=	432
8 Mates - - - - - - - - -	„	7 × 12	=	672
396 Bearers - - - - - - - - -	„	5 × 12	=	23,760
28 Ambulance carts - - - - - - - -	„	386-1	=	10,810
Compensation for 436 men, at 10 rupees each yearly - - - -			=	4,360
Good conduct pay, at 1 rupee per man yearly - - - - -			=	436
Clothing, at 1 rupee per man yearly - - - - - -			=	436
Corps badges, at 1 rupee per man yearly - - - - -			=	436
				43,742
				3,54,140
Add for Frontier Ambulance - - - - - - - -				46,975
GRAND TOTAL - - -			*Rs.*	4,01,115

It will be understood that the whole of the arrangements now prescribed are to be regarded as provisional, and subject to the approval of the Secretary of State, to whom the proposed organisation of the transport service will be reported immediately; and I am therefore to request that any appointments of officers should for the present be only provisionally made in the manner detailed in paragraph 13 of Military Department Letter, No. 720-D., dated 18th March 1882, officers so appointed being clearly informed that their employment is for the present only temporary and provisional.

10. I am to say that if the services of Colonel Low, Deputy Commissary General of Transport for this Presidency, can in any way be of use to the Government of Madras in the initial organisation of the Madras transport service, the Government of India will be ready to place him temporarily at the disposal of the Government of Madras for the purpose of personally consulting with the military authorities of the presidency on the subject.

I am, &c.
(signed) *G. Chesney*, Colonel,
Secretary to the Government of India.

COPY forwarded to—

The Quartermaster General in India.
The Commissary General, Bengal.
The Department of Finance and Commerce.
The Surgeons General, Her Majesty's Forces, and Indian Medical Service.
The Controller of Military Accounts, Bengal.
The Accountant General, Military Department.

By Order.
(signed) *T. Deane*, Major,
Assistant Secretary to the Government of India.

STATEMENT showing the Redistribution of Transport Depôt Stations referred to in paragraphs 5 and 6 of the Letters from the Secretary to the Government of India, Military Department, to the Governments of Madras and Bombay.

BOMBAY	MHOW	Mhow.
		Neemuch.
		Abu.
		Ahmedabad.
		Deesa.
		Rajkot.
		Baroda.
	POONA	Poona.
		Ahmednagar.
		Malegaon.
		Satara.
		Sholapur.
		Belgaum.
		Aden.
		Kolhapur.
		Bombay.
		Deolali.
MADRAS	SECUNDERABAD	Secunderabad.
		Bellary.
		Sironcha.
		Chanda.
		Raipur.
		Hoshangabad.
		Sitabuldi.
		Kampti.

No. $\frac{314. S.}{D.}$

Government of India, Military Department, to the Secretary to the Government of Bombay, Military Department.

Sir, Simla, the 19th May 1882.

In continuation of the correspondence marginally cited; and with reference to the Resolution of the Government of Bombay, Nos. 1579-81, dated 24th March 1882, I am directed to forward, for the consideration of His Excellency the Governor in Council, the accompanying copy of the revised proposals for a system of army transport, drawn up by Colonel Low, C.B., which has been for some time past under the review of the Government of India.

Military Department, No. 1587-S D., dated the 13th October 1881.

2. With reference to paragraph 6 of the Bombay Government Resolution above referred to, in which it is pointed out that no detailed instructions have yet been communicated in respect of the distribution of carriage for the troops in Sind and other important military centres in the Bombay Presidency, I am to explain that the delay in communicating further information on this subject has been caused by the necessity for a reconsideration of Colonel Low's original proposals and estimates of their cost. I am to invite attention to the marginally cited correspondence* which has taken place, a perusal of which may prove of service to the Government of Bombay in regard to the manner in which it may hereafter be considered desirable to apply the transport scheme to the Bombay Presidency.

From Deputy Commissary General for Transports, No. 411, dated the 18th October 1881.
Military Department, No. 1327-D., dated the 19th December 1881.
From Commissary General, Bengal, No. 8186-A., dated the 23rd December 1881; No. 294, dated the 11th January 1882; No. 387, dated the 13th January 1882.
Military Department, No. 207-D., dated the 19th January 1882.
From Quartermaster General in India, No. 460-C., dated the 27th December 1881.
From Commissary General, Bengal, No. 1087, dated the 3rd February 1882; No. 1196, dated the 6th February 1882; No. 1506, dated the 14th February 1882.
Military Department, No. 574-D., dated the 1st March 1882.
Memorandum by Lieutenant Colonel Low, dated the 22nd February 1882.
Military Department, No. 720-D., dated the 15th March 1882.
Military Department, No. 731-D., dated the 16th March 1882.

* Will follow.

3. The Government of India have attentively considered the remarks of His Excellency the Commander in Chief of the Bombay Army on the transport scheme as originally submitted by Colonel Low, and attach importance to His Excellency's views in regard to the concentration of transport at such stations as Poona, Kirkee, and Mhow. It will, however, be observed that the transport scheme as now revised differs very considerably from that originally submitted, on which General Hardinge's opinion was delivered. It would therefore be of little use to discuss in detail the propo-als contained in the letter from the Quartermaster General of the Bombay Army, No. 1125—1106, dated the 10th March 1882, in connection with the revised scheme. It will suffice to say that the Government of India consider that, having laid down the general outlines of the scheme for the Indian Army, and having sanctioned its application to the Bengal Presidency, it now rests with the Government of Bombay to apply those principles, in the manner they may think best, to the local conditions of transport service in the Bombay Presidency.

4. The main points on which uniformity is desired are—

I.—That a certain proportion of the transport should be in regimental charge, so that officers and men may gain experience in its management.

II.—The allowances to be paid to the officers and soldiers employed in the care of regimental transport will be on the uniform scale specified in paragraph 32 of Colonel Low's report, which accompanies.

III.—That the rest of the transport permanently maintained should be organised in depôts under the charge of transport officers.

IV.—These transport officers to be a branch of the Commissariat Department, and under the general orders of the Commissary General, but more immediately subordinate to the General officer of divisions and districts than are the officers of the regular Commissariat Department. The proposals on this head, and the staff of officers proposed for the Bombay Presidency, are stated in paragraphs 15 and 5 of my letters of this date to the Quartermaster General in India and the Commissary General, Bengal, respectively.

V.—An ambulance establishment to be organised as part of the transport service, but as a separate sub-branch, subordinate to the Medical Department.

5. It has been considered a necessary condition of the proposed new organisation that the existing cost of moveable column and out-station carriage in India shall not, in the aggregate, be exceeded in the new transport service; and in view, therefore, to the application of the scheme to Bombay as may be considered best according to local conditions, it has been necessary to consider what sum the Government of India could assign to each presidency to spend on its transport (depôt) service, irrespective of that in regimental charge of the five obligatory forces guarding the frontiers; and in the case of Bombay, irrespective of the force at Quetta. Inasmuch, however, as the scheme in its financial aspect embraces India as a whole, the comparison with present expenditure should be made for the whole of India, and not Bombay only. Hitherto the amount expended on the moveable column transport in each presidency has been as follows:—

	Rs.
Bengal moveable column and station carriage - - -	23,06,175
Madras - „ „ „ - - -	7,15,052
Bombay „ „ „ - - -	5,41,609

And after providing for the frontier brigades as above stated, the amount available for the Bombay depôt transport service and ambulance is about 4¼ lakhs. According to Colonel Low's proposals, this sum would be appropriated in the following way, which, however, is herein set down as merely indicating the sort of organisation contemplated by the Government of India, and, subject to the conditions stated in paragraph 4, not as binding the Government of Bombay in details.

TRANSPORT SERVICE in Bombay, exclusive of Transport in Regimental Charge, Guarding Frontiers, viz., exclusive of Quetta Transport and the Brigade of all Arms in Sind.

—	Elephants.	Camels.	Mules.	Army Transport Carts.
Poonah - - - - - - -	20	- -	250	100
Mhow - - - - - - -	15	- -	250	100
Jacobabad - - - - - -	15	250	- -	50
TOTAL - - -	50	250	500	250

		Rs.	*Rs.*	*Rs.*
50 Elephants - - - - - - - - -	at	1,200	– = 60,000	
250 Camels - - - - - - - - -	„	80	– = 20,000	
500 Mules - - - - - - - - -	„	154	9 = 77,282	
250 Army transport carts - - - - - -	„	386	1 = 96,516	
Officers (para. 30 of memo. of Colonel Low's scheme of 30th March) -			- 51,198	
Warrant Officers (ditto) - - - - - - - - -			- 5,940	
Total available for transport - - -				3,10,936

AMBULANCE for both Depôt and Frontier Forces.

Depôt Ambulance:

		Rs.	*Rs*	
3 Warrant Officers - - - - - - - -	at	100 × 12 =	3,600	
7 Sirdars - - - - - - - - -	„	9 × 12 =	756	
13 Mates - - - - - - - - -	„	7 × 12 =	1,092	
638 Bearers - - - - - - - - -	„	5 × 12 =	38,280	
44 Army Transport carts - - - - - -	„	386. 1. – =	16,987	
Compensation for 702 men, at *Rs.* 10 each per annum -		- - -	7,020	
				67,735
				3,78,671

			Rs.	
Good conduct pay - -	at	1 rupee per man per annum - - -	702	
Clothing - - - -	„	1 rupee „ „ - - -	702	
Corps badges - - -	„	1 rupee „ „ - - -	702	
				2,106
				3,80,777
Add for Frontier Ambulance - - - - - - - - - -				37,570
GRAND TOTAL - - -			*Rs.*	4,18,547

It will be observed that in making his estimate, Colonel Low has included Kampti and certain other stations in the Central Provinces* in the Mhow allotment of transport. This is in accordance with the recommendations of the Army Commission; but the mistake need not affect the total amount of the transport to be provided.

* Sitabuldi. Hoshungabad. Raipur. Chanda. Sironcha.

6. It will be understood that the whole of the arrangements now prescribed are to be regarded only as provisional, and subject to the approval of the Secretary of State, to whom the proposed organisation of the transport service will be reported immediately. I am therefore to request that any appointments of officers may for the present be only provisionally made in the manner detailed in paragraph 13 of Military Department No. 720-D., dated the 18th March 1882, officers so appointed being clearly informed that their employment for the present is only temporary and provisional.

7. I am to say that if the services of Colonel Low, Deputy Commissary General of Transport in Bengal, can in any way be of use to the Government of Bombay in the initial organisation of the Bombay transport service, the Government of India will be ready to place him temporarily at the disposal of the Government of Bombay for the purpose of personally consulting with the local military authorities on this subject.

I am, &c.
(signed) *G. Chesney*, Colonel.
Secretary to the Government of India.

COPY forwarded to—

The Quartermaster General in India.
The Commissary General, Bengal.
The Department of Finance and Commerce.
The Surgeons General, Her Majesty's Forces, and Indian Medical Service.
The Controller of Military Accounts, Bengal.
The Accountant General, Military Department.

By order,
(signed) *T. Deane*, Major.
Assistant Secretary to the Government of India.

STATEMENT showing the Redistribution of Transport Depôt Stations referred to in paragraphs 5 and 6 of the Letters from the Secretary to the Government of India, Military Department, to the Governments of Madras and Bombay.

BOMBAY	MHOW	Mhow.
		Neemuch
		Abu
		Ahmedabad.
		Deesa.
		Rajkot.
		Baroda.
	POONA	Poona.
		Ahmednagar.
		Malegaon.
		Satara.
		Sholapur.
		Belgaum.
		Aden.
		Kolhapur.
		Bombay.
		Deolali.
MADRAS	SECUNDERABAD	Secunderabad.
		Bellary.
		Sironcha.
		Chanda.
		Raipur.
		Hoshangabad.
		Sitabuldi.
		Kamti.

No. $\frac{315.\text{S.}}{\text{D.}}$

Government of India, Military Department, to the Quartermaster General in India.

Sir, Simla, 19 May 1882.

I AM directed to acknowledge the receipt of your letter, No. 1074-A., dated the 18th April 1882, communicating the opinion of His Excellency the Commander in Chief on Colonel Low's proposals for a transport service, which was forwarded to you with Military Department No. 720-D., dated the 15th March 1882.

2. Before touching the points on which His Excellency the Commander in Chief has remarked in your letter above quoted, I am to observe that, in accordance with the Orders of Government, Colonel Low's scheme has been again amended, and that therefore the observations and proposals made in your letter of the 18th April do not altogether apply to the scheme as it now stands.

3. A copy of the amended scheme, dated the 20th March 1882, is herewith forwarded; and I am now to convey the orders of the Government of India on the questions which have been submitted in your letter; also as regards the application of the scheme to the presidencies of Madras and Bombay.

4. In paragraphs 4 and 5 of your letter of the 18th April 1882 it is observed that His Excellency considers that the principle on which the Quetta and Pishin transport is to be maintained is that it is really a detachment from the bulk of the depôt transport maintained for India; that it is therefore entirely separate from, and in excess of, the transport for the brigade in Sind; and that the consequent reduction of the depôt carriage adverted to in Military Department letter No. 720-D., is proper so long as this carriage is maintained in Quetta and Pishin, and that when it shall cease to be so employed, it should revert to the depôt carriage in India, bringing up the strength of the latter to the fixed standard now decided on.

5. On this point I am to observe that His Excellency's views are quite in accord with those of the Government of India, and that paragraph 4 of Military Department, No. 720-D., dated the 15th March 1882, was intended to convey precisely this meaning.

6. His Excellency approves of the principle of allotting complete divisions (expansible) of both pack and wheeled transport to depôts; but, with reference to the order that the allotment to depôt transport shall be reduced 10 per cent. below the scale proposed by Colonel Low, His Excellency trusts Government will reconsider its decision.

7. I am to say on this point that the report of the Controller of Military Accounts on Colonel Low's estimate has now been received, and shows that Colonel Low has over-estimated the cost of his scheme, and that, if the proposal made by His Excellency the Commander in Chief be accepted, there will be still a considerable margin left to meet possible contingencies. This being the case, the Government of India have resolved to accept the recommendation made by Sir Donald Stewart that the depôt transport be not reduced 10 per cent., but allowed to stand at 28,580 maunds instead of 22,870 maunds, as now shown in the amended scheme, the result being—

	28,580	maunds of transport as now fixed.
	22,870	„ „ „ previously proposed.
Difference increase - - -	5,710	maunds.

8. The manner in which this increase is to be distributed will be approximately as follows :—

Depots—			
Rawalpindi	150 camels	= 750	maunds.
Meean Meer	50 army transport carts	= 600	„
Agra	100 camels	= 500	„
Allahabad	50 army transport carts	= 600	„
Jacobabad	150 camels	= 750	„
Mhow	50 army transport carts	= 600	„
Poona	50 - ditto	= 600	„
Secunderabad	20 camels	= 100	„
Bangalore	50 army transport carts	= 600	„
Madras	50 - ditto	= 600	„
		5,700	

9. This additional amount of transport will have to be hired, and the cost will be—

	Rs.
420 Camels at 80 rupees	= 33,600
300 Army transport carts at 386 rupees	= 1,15,800
	Rs. 1,49,400

10. With regard to paragraphs 8 and 9 of Military Department, No. 720-D., dated the 15th March 1882, His Excellency remarks that the actual corps and batteries to which half regimental transport is to be distributed, is a detail which can be readily decided when the main questions of the transport scheme are finally promulgated. With all deference to His Excellency's views, I am to remark that the Government of India consider that this is an important part of the new system; and I am to suggest, for His Excellency's consideration, that the corps and batteries of the five obligatory forces to be equipped with half regimental transport should be named at once and transport sent to them, so that hired moveable column transport now kept up for those troops may be reduced, and Government saved the expense in keeping up hired and permanent animals at the same time.

11. In paragraph 8 of your letter under reply, it is said that Sir Donald Stewart is of opinion that the details of the proposed administrative and executive establishment require further consideration, as they appear to amount to 3,37,635 rupees, or about 10 per cent. of the gross cost of the transport scheme, in addition to regimental allowances of 53,673 rupees for the executive charge of regimental transport. His Excellency therefore suggests a reduction of the establishment for depôt charge, observing that one officer can look after the largest depôt without being of a superior grade in the department if he has a really good subordinate establishment.

12. It has hitherto been considered that the Commander-in-Chief had accepted Colonel Low's proposed establishments, as his Excellency had not in any previous communication taken exception to what has been recommended; and I am to observe, with reference to the Resolution of the 13th October last, Military Department No. 1587 S. D., dated the 13th October 1881, that it was said that "one transport officer should suffice for each depôt." Colonel Low has adhered to this ruling in his scheme, merely providing a margin of four officers to meet the contingencies of sickness or leave (*see* paragraph 24 of his scheme).

13. It is true that the establishment proposed is slightly in excess of that laid down in October last; and if depôt officers had only to look after the transport in their charge, one per depôt would be ample; but the means of expansion have also to be provided for. His Excellency remarks that "rapid and simple expansibility is vital to the whole question," and that, unless transport is clearly arranged beforehand, there will be as great difficulty in getting it on the outbreak of war as there was before. In regard, therefore, to the machinery for the expansion of transport in time of need, this after mature deliberation and in accordance with the express wishes of his Excellency the Commander-in-Chief was fixed as the "agency of the civil authority, combined with the

officers of the Quartermaster-General's Department and the staff of the transport depôts in the various circles or districts of the country." Colonel Low observes in paragraph 24 of his report, dated 22nd February 1882, that if the officers of the depôts are to do this duty, "they will have a life of endless work in front of them." His proposals are made with a view to officers being so employed, and to provide for a margin for those falling sick or requiring leave; and, on the whole, the Government of India consider that it will be well to let his estimate in regard to the numbers required stand, particularly as sanction has already been given to the appointment of ten officers in Military Department No. 720, dated 15th March 1882. With regard, however, to the cost of the staff, Sir Donald Stewart's views are concurred in that it is excessive, and that such superior grades are not appropriate; and it will be observed, from paragraphs 5 and 8 of the letter No. 316 S. D. of this date to the Commissary General, that Colonel Low has been directed to revise his estimate, the equivalent reductions made in the cost of the staff being added to the sum allowed for depôt transport.

14. In paragraph 8 of your letter it is said that His Excellency considers there should not be a separate department for transport, and that it should be a branch of, and administered by, the Commissariat Department; but that depôt transport, as well as regimental transport, should be under the direct control of General Officers as regards working and efficiency, and that the officers in charge should be under the orders of the General Officer Commanding in regard to all executive functions. His Excellency observes that Colonel Low is already irregularly corresponding directly with commanding officers in stations on transport matters, and considers that much inconvenience will result if this practice be not checked.

15. With reference to His Excellency's observation on this point, I am to observe that there is an excuse for Colonel Low having adopted the latter course, because he has not had at his disposal as yet the proper transport staff through which he might have communicated his instructions, which, in proper course, would have been carried out under the orders of the officers commanding stations, &c. It is hoped, however, that when the officers required by Colonel Low have been appointed, there will be no further difficulty on this head; meanwhile Colonel Low will be requested to confine his correspondence to the proper channel. With regard to the general question, I am to observe that it has never been the intention of Government to form a separate Transport Department, but that much importance is attached to the necessity for clearly defining the system to be for the future adopted in regard to the relation of transport officers to the military authorities. This system, the Government of India consider, should be of the kind described in the following extract from the report of the late Controller General of Supply and Transport, so far as the officers of the Transport Branch of the Commissariat Department are concerned; the practice of the Commissariat Department proper would of course be undisturbed:—

Arrangements for formation of a Commissariat and Transport Department.

"23. There would be, as at present, three Commissaries General—that is, one for each of the three presidencies—who would be responsible for the combined Commissariat and Transport Department. It is not proposed to disturb the existing organisation of the Commissariat Department, beyond nominating a certain number of transport officers, who would relieve some of the present officers of the Commissariat of transport matters. These officers, with rank and pay of corresponding grades in the Commissariat Department, would, with their subordinates and the permanent transport kept up, constitute a sub-department of the Commissariat and Transport Department of the Army, just as the Commissariat Sub-department would deal with the work of supply. The officers of the Commissariat and Transport Department should be, as in England, officers of the Commissariat and Transport staff of the Army.

Relations of the officers to the military authorities.

"24. The relations of the officers of the Commissariat and Transport Department to the military authorities should be the same as now exist as regards the Commissariat in India and in England. The officers should be a part of the staff, and their relations with the General Officer be governed, as in England, by the spirit of the following paragraphs

paragraphs 15, 16 and 17, Part I., Regulations for the Commissariat Department, 13th January 1876:—

"'The District Commissary General will conduct his duties under the orders of the Officer Commanding, who will afford him free access, at all times, on questions relating to his department. The Officer Commanding, when he considers it advisable, may convey his orders by an officer of the general staff, for which orders the Officer Commanding will be held strictly responsible.

"'The District Commissary General will not be warranted in departing on any occasion from his instructions upon his own authority. Should circumstances at any time render a deviation therefrom, in his opinion, necessary or expedient, before reference can be made to the War Office, he will submit the case to the Officer Commanding and apply for a written sanction for the deviation, a full report of the particulars being made to the Secretary of State for War as directed in paragraph 52. The District Commissary General will be held responsible for any measure which may be adopted on his recommendation.

"'Should the District Commissary General receive orders from the Officer Commanding which he considers to be inconsistent with War Office instructions or regulations, it will be his duty respectfully to point out this inconsistency to the Officer Commanding, and to solicit a special authority in writing for the deviation, which, being granted, must be implicitly obeyed. A report of the circumstances, together with a copy of any correspondence relating thereto, will be transmitted to the Secretary of State for War as directed in paragraph 53.'"

16. As regards the subordinate European establishment, Sir Donald Stewart does not recommend its being formed from the existing supernumeraries of the Commissariat Department, but would prefer that young, active men of good character and some previous training in transport duty should be taken direct from the Army. To which may be added that further enquiry shows that these supernumeraries cannot be spared from the Commissariat Department.

17. The scheme provides for the following staff of subordinates for this Presidency:—

Punjab and Bengal - - -	1	Deputy Assistant Commissary.
	5	Conductors.
	7	Sub-Conductors.
	10	Sergeants.
	23	

18. The Government of India therefore request that His Excellency the Commander in Chief will be good enough to transfer men from regiments for work in the Transport Department, Bengal, in the above numbers, the intention being that they should in the first instance be borne as sergeants on a separate list as the Transport branch of the Commissariat Department, and that the various grades to be eventually held by warrant and non-commissioned officers of the Transport should be added to those of this branch, the new men being eventually promoted thereto as they prove themselves worthy of such promotion. Their prospects will then be clearly defined; and the Government of India consider that this will be the best method of giving effect to His Excellency's views to appoint young men to the Transport, to whom, however, it does not seem desirable to give warrant rank until they have proved themselves fitted for it.

19. In paragraphs 11 and 12 of your letter it is said that the boat establishment in both the Eastern Frontier District and in Burma has been overlooked; also that more coolies in place of the mules (456) should be allotted to the former place. Colonel Low will now be directed to place himself in communication with you in view to his modifying his allotments according to the Commander in Chief's wishes. In regard also to His Excellency's suggestion, that the amount of transport allotted to Shillong (1,250 maunds) should be distributed to regiments in the Eastern Frontier District, should His Excellency still desire it, this measure can be given effect to: but it appears to the Government of

India that there is much to be said in favour of the retention of depôts within certain transport circles.

20. The depôts generally will be under the orders of officers commanding the respective divisions and districts, who can allot temporarily carriage to any corps within their commands. On the other hand, the result of reducing the depôt carriage and increasing the regimental carriage will be that regimental allowances will be increased, and the machinery for equipment of depôt carriage and for ascertaining the resources of the country in transport will not be forthcoming. In view, therefore, of the necessity for the provision of a machinery to expand transport in time of need as is shown in the concluding paragraph of your letter, the Government of India suggest, for His Excellency's consideration, that the Shillong depôt be allowed to stand as originally fixed. Colonel Low will be directed to revise his allotments after personal communication with you in accordance with whatever decision His Excellency may arrive at on this point.

21. There are a few points which remain for decision, as far as the Transport scheme for this presidency is concerned; and these are mainly—

(1.) The interchangeability of the officers of the Supply and Transport branches of the Commissariat;

(2.) The designation which Colonel Low is to bear, and his relation with the Commissary General;

(3.) The manner in which returns and accounts are to be rendered by the Transport officers, and the arrangements necessary for food supply, &c.

These points have been dealt with in a letter to the Commissary General of to-day's date, a copy of which I am directed to enclose for His Excellency's information.

22. There remains to be determined how far the transport scheme is to be applied to the presidencies of Madras and Bombay. It must be borne in mind that the scheme in its financial bearings embraces the whole of India, and that consequently, if a comparison with present expenditure is made, it should be compared with the expenditure for the whole of India, and not Bengal only. The equipment of the five moveable brigades with one-half regimental transport has already been ordered by the Government of India, guided by His Excellency's views on the subject; there remains for disposal the transport left available for the presidential depôts. The Government of India have decided with respect to this, that a certain sum shall be assigned to the Governments of Madras and Bombay for application to their depôt transport and ambulance.

23. The particulars of this allotment will be found in the accompanying copies of letters of to-day's date to the Governments of Madras and Bombay on the subject; and it will be observed that the Government of India are of opinion that, as long as the main principles of the scheme are adhered to, its application should be made in the manner best suited to the local conditions of the transport service.

24. In connection with this subject, I am to invite His Excellency's attention to the observations* of the Commander in Chief of the Bombay Army on Colonel Low's transport scheme, and to say that, in the opinion of the Government of India, there are strong considerations in favour of the concentration of the transport of the Bombay Presidency at the two stations Poona-Kirkee and Mhow, and, generally, for dealing with the transport service as local conditions may require.

* Bombay Government Resolution, No. 1579, dated the 24th March 1882.

25. It will, of course, be understood that the whole of the arrangements now prescribed are to be regarded as provisional only, and subject to the approval of the Secretary of State, to whom the proposed organisation of the transport service will be reported as soon as Colonel Low has furnished the additional

additional information and the revised estimate, which have now been called for.

I am, &c.
(signed) *G. Chesney*, Colonel,
Secretary to the Government of India.

COPY forwarded to—

The Government of Madras.
The Government of Bombay.
The Government of the Punjab.
The Controller of Military Accounts, Bengal.
The Accountant General, Military Department.

By Order,
(signed) *T. Deane*, Major,
Assistant Secretary to the Government of India.

No. 316. S.

Government of India, Military Department, to the Commissary General, Bengal.

Sir, Simla, 19 May 1882.

I AM directed to acknowledge the receipt of your letter, No. 219, dated 26th April 1882, forwarding Colonel Low's No. 1579, dated 20th March 1882, with a Memorandum accompanying, containing his revised proposals and estimate of the cost of the Transport Department for India.

2. The Government of India have carefully considered the scheme in connection with the report of the Controller of Military Accounts, to which you refer in paragraph 1 of your letter under reply, and the conclusions at which they have arrived on the several points which have been raised in the marginally cited correspondence are embodied in the accompanying letters to the Quartermaster General in India, No. 315-S-D., dated the 19th May 1882, and to the Governments of Madras and Bombay, Nos, 313-14-S.-D., dated the 19th May 1882, to which your attention is invited.

From Quartermaster-General in India, No 1074-A., dated the 18th April 1882.
From Government of Bombay, No. 1579, dated the 24th March 1882.

3. In paragraph 2 of your letter you discuss the position of the officers of the Transport Department, and express the opinion that it is intended the officers and subordinate Europeans shall eventually be interchangeable with those of the Supply Branch of the Commissariat Department, and that the entire complement of the Commissariat-Transport Department shall be one establishment under the control, as regards Bengal, of the Commissary General of that Presidency.

4. The arrangements decided upon for the Commissariat-Transport Department, and the relations of transport officers to the military authorities, are detailed in paragraphs 15 to 24 of the letter to the Quartermaster General forwarded herewith; but as regards the interchangeability of these officers with those of the Commissariat Department, I am to make the following remarks.

5. For the Bengal Presidency, including the Punjab, Colonel Low has proposed a complement of 10 officers (exclusive of himself), in grades corresponding with those of the Commissariat Department, as detailed in paragraph 30 of his revised scheme. As has been already communicated to you in paragraph 12 of Military Department Letter No. 720-D., dated the 15th March 1882, the Government of India are unable to sanction any appointments until the approval of the Secretary of State has been obtained to the whole scheme for the transport service of the future; but the Government of India concur with

His Excellency the Commander in Chief that the grades and rates of pay are too high relatively to regimental and other departmental appointments, and should be reduced. It is considered that the grades and rates given below would be suitable, and Colonel Low should be directed to frame his estimate accordingly: —

Bengal.

						Rs.
1	Assistant Commissary General for Transport			-	-	600
2	Deputy Assistant Commissaries General for Transport			-	-	500
2	„	„	„	-	-	400
3	Sub-Assistant Commissaries General		„	-	-	300
2	„	„	„	-	-	200

Madras.

1	Assistant Commissary General for Transport			-	-	600
1	Deputy Assistant Commissary General for Transport			-	-	500
1	„	„	„	-	-	400
1	Sub-Assistant	„	„	-	-	300
2	Sub-Assistant Commissaries General		„	-	-	200

Bombay.

1	Assistant Commissary General for Transport			-	-	600
1	Deputy Assistant Commissary General for Transport			-	-	400
1	Sub-Assistant	„	„	-	-	300
1	„	„	„	-	-	200

6. These officers would be borne on a separate list as the Transport Branch of the Commissariat Department. It will be for consideration hereafter whether officers of the two branches should be interchangeable; but any officer now belonging to the Commissariat Department, who may be transferred to the Transport Branch on its being organised as above, with the sanction of the Secretary of State, will be permanently removed from the Commissariat Branch, departmental promotion being made in his place. The places in their departments or regiments of the officers provisionally employed on transport service, pending the orders of the Secretary of State on the general scheme now to be submitted, will be filled up by temporary promotions and appointments.

7. With regard to the degree of interchangeability permissible between the two branches of the Commissariat, I am to say that there appears no objection to officers exchanging from the Transport Branch to the Commissariat Branch in their respective grades, or *vice versâ*, provided that they are duly qualified in every respect for such transfer, and that they are recommended therefor to the Government of India by the Commissary General. It is considered, however, that departmental promotion should be made on separate lists. In time of war especially it will be more easy to expand a separate transport list than to do so in the case of the Commissariat-Transport list generally.

8. In regard to the exact position which the subordinate European staff is to hold in the Department, I am to invite your attention to paragraph 18 of the accompanying letter, No. 315-S. D., dated the 19th May 1882, to the Quartermaster General in India, wherein that position is clearly defined.

9. You recommend in paragraph 4 of your letter under reply, that the designation "Officer at the head of the Department" at page 10 of Colonel Low's scheme should be modified to "Deputy Commissary General for Transport," as this will be his position, in subordination to the Commissaries General of the three presidencies. This was intended by the Government of India, and Colonel Low should be directed to modify his scheme accordingly. With regard, however, to the subject of his subordination to the Commissaries General of Madras and Bombay, I am to observe that it is not at present practicable for Colonel Low, as an officer of the Bengal Commissariat, to correspond

spond direct with these officers, or to control in any way the transport of the other presidencies. In connection with this subject, I am to invite your attention to the accompanying communications to the Governments of Madras and Bombay, ruling that the entire management of the transport service, as far as the depôts are concerned, must remain in the hands of the local authorities, subject to a certain fixed minimum of expenditure and to the condition that the main principles of the new system shall be followed as closely as local circumstances will admit. Should Colonel Low's services be required to assist the Governments of Madras and Bombay in the initial organisation of the presidential transport, the Government of India will be prepared to place his services temporarily at their disposal for this purpose. A further communication will be made to you on this subject.

10. The Government of India note your opinion that the supervising establishments proposed should have no difficulty in collecting any reasonable quantity of carriage to place with expedition an army of moderate proportions in the field; and, in view of the importance of having an adequate machinery at hand to expand transport in time of need, the Government of India will recommend no reduction in the numbers of the establishments proposed. Colonel Low may, however, provide in his revised estimate for additional depôt transport equivalent to the saving effected in the salaries of the staff now decided upon.

11. In the concluding paragraph of your letter you refer to the arrangement which officers of transport should make for rendering returns and accounts of the carriage employed, whether in depôt or regimental charge, and you consider that officers of the supply branch should only supply the food and pay the checked accounts. I am to request that Colonel Low may be requested to forward through you to the Controller of Military Accounts rules giving effect to this suggestion, which, after report by the Controller, will be finally considered by the Government of India.

12. In conclusion, I am to observe that Colonel Low's proposals should now be finally amended in accordance with the decisions arrived at in this and the accompanying letters already quoted. It is the desire of the Government of India that the scheme should be submitted to the Secretary of State at the earliest possible date; but, as submitted with your letter No. 219 of the 26th April, it is still in a skeleton form only; the detailed reasons for which the various decisions have been arrived at, and the basis on which Colonel Low has made his calculations, have among other points not been stated. I am therefore to request that Colonel Low be asked to review his scheme in the sense of these remarks, and to submit the whole worked out in a clear and concise form.

I am, &c.
(signed) *G. Chesney*, Colonel,
Secretary to the Government of India.

COPY forwarded to—

The Government of Madras.
The Government of Bombay.
The Government of the Punjab.
The Quartermaster General in India.
The Controller of Military Accounts, Bengal.
The Accountant General, Military Department.

By Order,
(signed) *F. Deane*, Major,
Assistant Secretary to the Government of India.

No. 627 T.—Commissary General's Office.

TRANSPORT SCHEME.

From Colonel *R. C. Low*, C.B., Deputy Commissary General, Transport, to the Secretary to the Government of India, Military Department.

Sir, Simla, 28 June 1882.

IN forwarding the enclosed scheme, I have the honour to state that the points noted in the Military Department No. 316 S-D. (Commissariat Department—Transport), of 19th May, have now been entered.

2. The number of officers for Madras has been left at the former total of five. I understand six officers for Madras was accidentally entered in the above quoted letter.

3. The rates of cost for elephants have now been entered, according to the Controller's estimate, at 600 rupees each per annum.

4. Several other savings have been effected, besides the reductions in officers' salaries, as per the Military Department letter quoted; the percentage of drivers was overcalculated considerably in my former estimates, while in all previous estimates, though I dealt with the Kabul scale, I did so in round numbers and left a considerable margin. In the present estimate the Kabul scale is added as an Appendix; the allowances and weights for each unit in the service are worked out and stated.

5. The main reduction in cost is due to reduction in the price of maintaining elephants, and the unexpended balance would have been still larger but that the strength of Native Infantry and Native Cavalry regiments have been increased since my former estimate; and of course this requires proportionate addition in transport to regiments that are to be equipped, and a corresponding increase in cost.

6. The changes desired by His Excellency the Commander in Chief have been made as follows:—

The nomenclature of the four brigades in the Punjab is changed to "the force in the Peshawar District" and "three brigades in the Punjab."

The extra troops in the Peshawar District have been provided with one-half transport, on the same scale as other troops with transport in regimental charge.

The force in Rohilcund has also been provided with one-half transport.

The situation of the Agra Depôt is changed to Sepree.

7. The Assam Depôt has had the increase given to it of six boats employed in the Eastern Frontier.

The transport of this depôt is, as is observed by the Quartermaster General, the present Naga Transport Corps, and it would naturally remain there so long as it was required. Shillong was only given as the depôt station, it being the head quarters of the General Officer Commanding. The name has now been entered as the Assam Depôt.

I have &c.
(signed) *R. C. Low*, Colonel,
Deputy Commissary General Transport.

Forwarded.

(signed) *W. C. R. Mylne*, Colonel,
Commissary General.

SCHEME FOR MAINTENANCE OF A TRANSPORT SERVICE IN INDIA.

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Section I.—The Outline of the Scheme.
„ II.—The Data and General Principles.
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SECTION I.

The Outline of the Scheme.

1. This scheme gives one-half transport on the service scale to the troops protecting the different frontiers, and to certain forces which will be held ready equipped either for local service or for despatch to a distant point. The collective strength of this force which will have one-half transport in regimental charge is as follows—

9½ Regiments, British Infantry, 36 „ Native „ 11⅔ „ „ Cavalry, 15½ Field and Mountain Batteries, 6 Companies, Sappers, which consist of—	46,130 fighting men.
152 Elephants,	
2,025 Camels, including spare, as per paragraph 73,	
6,091 Mules, including spare, as per paragraph 73,	
423 Light carts,	
18 Sirdars,	
36 Mates,	
924 Coolies,	

the cost of which is yearly 13,52,076 rupees.

2. It provides for the training of all the officers and men of the above regiments.

3. It divides the country into circles, each with a depôt centre where a certain amount of transport is to be kept upon a peace footing, and which would be expanded to a war footing at time of need. The amount of transport thus maintained is—

448 elephants,	900 army transport carts,
920 hired camels,	50 light carts,
2,000 mules,	300 coolies,
1,000 pack bullocks,	6 boats,

the cost of which is yearly 10,84,402 rupees.

4. It provides for training depôts at four of the largest military stations in India, viz.,—

Rawalpindi,	Poona,
Meerut,	Bangalore,

to which stations it is proposed that small detachments from regiments (other than those regiments noted in paragraph 1) should be sent, and that the officers and men thus sent should go through a course of transport instruction; the names of most suitable officers, non-commissioned officers and men who went through this course, together with the names of those in the regiments equipped with one-half transport, would be noted, and the transport thus be secure of expansion in the supervising elements in case of need.

5. It gives power of mobilising the following strength of fighting men within the provincial areas or army corps :—

Punjab, 10,000 men,	Bombay, 8,000 men,
Bengal, 10,000 men,	Madras, 5,000 men,

the European portion of the above forces, or one-third of the number, being equipped on the hot weather scale, that is to say, with European private tents, and leaving the troops on the frontiers fully equipped.

6. It gives power of mobilising a force of 13,500 fighting men at any distant point, such as a seaport, the troops being equipped with mobile transport on the hot-weather service scale, and without touching the transport of the Frontier forces, and using only transport which can be readily moved by rail.

7. It provides a system of registration with the aid of the civil authorities and the officers of the Quartermaster General's Department which it is hoped will give sufficient knowledge of the transport in the country at large, and its situation, as will render it easy at short notice to supplement the transport in time of need to meet the requirements of war.

8. It provides a permanent staff for the supervising management and administration of the above of—

1 Deputy Commmissary General, Transport—

Punjab and Bengal:

1 Assistant Commissary General, 2nd Class.
2 Deputy Assistant Commissary Generals, 1st Class.
2 Deputy Assistant Commissary Generals, 2nd Class.
3 Sub-Assistant Commissary Generals, 1st Class.
2 Sub-Assistant Commissary Generals, 2nd Class.

Madras:

1 Assistant Commissary General, 2nd Class.
1 Deputy Assistant Commissary General, 1st Class.
1 Deputy Assistant Commissary General, 2nd Class.
1 Sub-Assistant Commissary General, 1st Class.
2 Sub-Assistant Commissary Generals, 2nd Class.

Bombay:

1 Assistant Commissary General, 2nd Class.
1 Deputy Assistant Commissary General, 2nd Class.
1 Sub-Assistant Commissary General, 1st Class.
1 Sub-Assistant Commissary General, 2nd Class.

Also the following subordinate establishment :—

Punjab and Bengal:

1 Deputy Assistant Commissary.
5 Conductors.
7 Sub-Conductors.
10 Sergeants.

Madras:

2 Conductors.
3 Sub-Conductors.
5 Sergeants.

Bombay:

1 Conductor.
1 Sub-Conductor.
3 Sergeants.

The

The above officers and men would be on distinct lists as the establishment of the transport branch of the Commissariat. The cost of this establishment is 3,10,395 rupees yearly.

9. It provides for repairs to the necessary buildings at a cost of 7,500 rupees yearly.

10. Certain equipment establishments at a yearly cost of 9,600 rupees.

11. Certain small allowances to transport staff in regiments that will be equipped and have charge of transport, the cost of which is yearly 60,189 rupees.

12. It provides for pension for the inferior attendants at a yearly cost of 18,000 rupees.

The total cost is 28,42,162 rupees, leaving an unexpended balance of 6,57,838 rupees to complete the present yearly expenditure of 35,00,000 rupees.

13. The initial cost will be 3,99,365 rupees.

SECTION II.

The Data and General Principles.

14. The data given by Government and the main points which have been decided on, in the course of past months, are as follows :—

That the sum to be expended on the transport service should not exceed the present yearly expenditure of 35,00,000 rupees :

That a portion of the transport to be maintained should be placed in regimental charge, certain forces being equipped with one-half transport on the coal weather service scale; and

That the other portion of the transport should be maintained at depôts and should be in peace divisions, to be expanded to a war strength at time of need.

15. The number of troops that are by this scheme equipped with transport in regimental charge has been fixed with reference to local requirements, but the necessary capabilities of the whole transport to be maintained were settled as follows.

16. It was considered that the number of troops which the State should be in a position to put into the field equipped with transport at short notice should be—

In the case of the Provincial or Army Corps area of the—

Punjab	10,000	men at least.
Bengal	10,000	,,
Bombay	8,000	,,
Madras	5,000	,,

in each case it being held to be a necessity that the European portion of the force or one-third should be equipped with transport on the hot weather service scale, so that they could move with large European privates' tents.

In each case, also, it was to be held as a necessity that in reckoning the transport required to effect this object, the transport allotted to forces guarding frontiers should not be counted on as available, on the grounds that the case might arise of it being necessary to mobilise troops to the above extent within the area, while at the same time it might be necessary to retain the frontier troops fully equipped.

17. It was further decided that mobile transport of a nature easily moved by rail should be provided to such an extent in the allotments to depôts as would admit of equipping a concentrated force at a seaport or distant point.

18. As the allotment of transport to the depôts depended to some extent on

considerations of a local nature, the strength of this mobile transport could not be previously laid down; but a minimum strength of the force thus to be equipped was settled at 10,000 men, while it was hoped that power of equipping a larger force might be available.

In the case of this force also it was to be a necessity that transport should be provided on the hot weather service scale for the European portion of it.

19. It was further decided that small allowances should be granted to the regimental transport staff of regiments and batteries which will be equipped with one-half transport.

20. That the transport of the frontier forces should be Government property, camels, however, being hired, except in the case of the Punjab Frontier Force, which will retain Government camels.

21. That all transport, whether in regimental charge or at depôts, must be under the direct orders of the various military commanders in whose command it is located, and all transport, whether in regimental charge or at depôts, must, under the orders of those officers, be available for any Government work.

22. That a portion of the transport to be allotted to regiments should consist, n suitable localities, of light carts.

23. That army transport carts, viz, carts of larger dimensions, should form part of the transport to be maintained at depôts.

24. That four of the depôts, one in each of the provincial or army corps areas, should be a training depôt for instruction to officers, non-commissioned officers, and men.

25. It was further settled that a certain number of officers, warrant and non commissioned, should be appointed to the transport, which would, in the future, be a branch of the Commissariat Department.

26. Also that for the expansion of the transport to a war footing, the agency should be the officers of the transport, with the aid of civil officers and officers of the Quartermaster General's Department.

27. The above were the main points, and on these lines this scheme has been framed.

There are three points on which an explanation is necessary—

First.—The manner in which the various descriptions of transport are allotted.

Second.—The manner in which the calculations of transport available for mobilisation of the given numbers of troops have been arrived at.

Third.—The manner in which it is proposed to carry out the expansion to a war strength when required.

28. On the first point, the various descriptions of transport are elephants, camels, mules, pack bullocks, light carts and army transport carts, with a few boats and coolies in exceptional localities.

29. Elephants are largely allotted at stations and localities where their services are most needed, and it so happens that in such localities food for them is easily procurable and cheap—viz., Burma, the Eastern Frontier, and Oudh. But elephants cannot be moved by rail; consequently, in considering the transport at the disposal of the State for mobilisation of troops at a distant point, elephants cannot be counted on.

30. Camels have been chiefly allotted in Sind, the Punjab, and North-West Provinces of Bengal, that is to say, in the localities where they are chiefly found, the object being to utilise, as far as possible, all descriptions of transport animals in the places where they best thrive and where they can best work. Camels can be moved by rail; but as they are delicate animals when taken out of their own climate, they have not been counted as available for mobilisation of troops at a seaport or distant point.

31. Mules

31. Mules are largely allotted to the forces guarding the Frontiers, and in the Punjab, from which Province they chiefly come. They are the best, hardiest, and most mobile of all transport animals in India, and can work in any climate.

32. Pack bullocks are allotted in a few places only where the country is specially suited to them; they carry the same weight as mules, and travel very much slower and also differ from mules in this respect. The State could purchase many thousands of pack bullocks at short notice, but the State could not purchase large numbers of mules (with, however, a large number of mules in possession the country can easily maintain this number; that is to say, the required number can yearly be purchased for replacements).

33. As regards carts, the country has become so intersected with roads that wheeled transport is a necessity, and not only in India, but in every adjoining country, or indeed wherever troops may be sent in any number carts will be useful. There is a very great difference between an expedition into any of the mountains which adjoin our borders and the advance of an army into the same mountainous country. In the first case wheels would be out of place; in the second, a necessity; consequently, for general purposes of military transport in the plains of India, in the adjoining countries, or for expeditionary purposes beyond sea, carts of both the light and the heavier descriptions should form a portion of the transport to be maintained.

Patterns have been made of both descriptions and approved of by His Excellency the Commander in Chief and Government, and these are now being tested under competent officers. Any defects thus brought to light will be rectified, when it is proposed to build the required number, without delay.

The light cart is built to be drawn by one mule or pony.

The heavier army transport cart is built to be drawn by two mules or ponies, or two bullocks.

34. In the case of the army transport carts allotted to Bengal, it has been decided to utilise for their draught siege train bullocks, which heretofore have in considerable numbers not been worked in time of peace. Should these bullocks be required for the draught of siege guns, there would be no difficulty in obtaining excellent cattle for the army transport carts at the shortest notice.

It is the large siege train bullock which is the difficult animal to find, not the smaller bullock fit for the carts in question, which can be bought by thousands.

35. The weights carried by the various descriptions of transport are as follows:—

	*Mds.**		*Mds.*
An elephant carries -	15	A pack bullock carries -	2
A camel „ -	5	A light cart „ -	6
A mule „ -	2	An army transport cart carries	12
A pony „ -	2	A coolie carries 20 seers, or -	½

36. As regards the second point to be noticed, viz., the manner in which the transport which will be available for mobilisation is calculated.

The question of scales of weights had necessarily to be considered previous to making calculations, and it was decided that the scale for Frontier forces, and regiments and batteries which were to be equipped with one-half transport, should be a cold-weather scale, and that the late Kabul scale should be used for the purpose; also, that the hot-weather scale on which troops, when mobilised, were to be equipped, should be the cold-weather scale as above, with the addition of European privates' tents for the European portion of those troops. The manner in which this hot-weather allowance is added is shown further on, and the cold weather service scale (Kabul) is added to this scheme as an appendix, and it shows the weights allowed in full detail worked out for each unit in the service.

37. The

* 1 maund is 40 seers or 80 lbs.

37. The forces to be equipped with one-half transport are—

A moveable column and certain outposts in the Quetta district.
The Punjab Frontier Force.
The force in the Eastern Frontier.
The force in Burma.

These are all forces guarding frontiers, and their transport is not to be counted on as available for mobilisation. In addition to the above, the following troops are also to be equipped with one-half transport—

The force in the Peshawar District.
Three brigades of all arms in the Punjab (a few of the regiments are directed to be drawn from stations in the North-Western Provinces).
A small force in Rohilcund.
A brigade of small arms in Sind.

These troops, or portions of them, would certainly take part in any mobilisation of troops in the Punjab, Bengal or Bombay.

The collective strength of these troops available for mobilisation is 22,850 fighting men, as follows.

	British Infantry.	Native Infantry.	Native Cavalry.	Field or Mountain Batteries.	Companies Sappers.
Peshawar District - - -	2	3	2	2	2
Three brigades in Punjab - -	3	9	3	3	3
Force in Rohilcund - - -	1	1	$\frac{1}{3}$	$\frac{1}{3}$	–
Brigade in Sind - - - -	1	2	1	1	–
TOTAL - - -	7	15	$6\frac{1}{3}$	$6\frac{1}{3}$	5

It is evident that with regard to the defence of the Punjab, that if 10,000 men had to be mobilised in any part of it, at least half of the force in the Peshawar district might safely be moved to the threatened points; that all three of the brigades in the Punjab would also be so moved, and that half the Rohilcund force might be spared.

The following table shows the troops thus available :—

	British Infantry.	Native Infantry.	Native Cavalry.	Field or Mountain Batteries.	Companies Sappers.
Half the troops in Peshawar District.	1	$1\frac{1}{2}$	1	1	1
The three brigades in Punjab -	3	9	3	3	3
Half the Rohilcund forces - -	$\frac{1}{3}$	$\frac{1}{2}$	$\frac{1}{6}$	$\frac{1}{6}$	–
TOTAL - - -	$4\frac{1}{3}$	11	$4\frac{1}{6}$	$4\frac{1}{6}$	4

The one-half transport with which these troops will be equipped, and which is thus available for mobilisation in the Punjab, consists of—

	Mds.
$4\frac{1}{3}$ British Infantry - - - - - - -	= 2,785
11 Native Infantry regiments - - - - - -	= 3,960
$4\frac{1}{6}$ Native Cavalry regiments - - - - - -	= 625
$4\frac{1}{6}$ Field or Mountain Batteries - - - - -	= 646
4 Companies, Sappers and Miners - - - - -	= 272
TOTAL - -	8,288
The transport of the two depôts in the Punjab is - - -	4,570
Total available - -	12,858

38. The

38. The proportion of Native troops to European troops of a force in India when put into the field is never less than two Native soldiers to each European soldier.

If the scales of equipment in the appendix are consulted, it will be seen that to put a European soldier into the field requires in round numbers $1\frac{1}{4}$ maunds of transport, and to put a Native soldier into the field requires $\frac{1}{4}$ of a maund; the proportion of Natives to Europeans is as two to one; it is consequently a liberal allowance to say that the equipment of an army in India will take one maund per fighting man.

Ten thousand men, therefore, require 10,000 maunds; but $\frac{1}{3}$ of this number or (say) 3,333, require European privates' tents, which at 16 men per tent = 208 tents, and to this 49 more would be required for sergeants, &c., which gives a total of 257 tents at 8 maunds each = 2,056 maunds.

39. The amount of transport required, therefore, for 10,000 men is 12,056 maunds, which in the case of the Punjab is more than sufficiently met, as shown already, by an available amount of 12,858 maunds.

In making these calculations of available transport, it may be said, and in all probability truly said, that the capacity of the scheme is greater than is stated here, as it is highly improbable that a force of 10,000 men would have to be mobilised in the Punjab, and at the same time the frontier be in such a state of ferment that no portion of the Punjab Frontier Force would be available to join the concentrated force of 10,000 men.

It may also be said, and probably truly said, that some of the transport of the depôts in adjoining provinces are also available.

It is, however, better to look at the capacity of the scheme, not from probabilities, but from the point of view which presents the smallest capacity under urgent circumstances; and this reasoning has been kept in view and carried out in dealing with the other cases of Bengal, Madras, and Bombay.

40. In Bengal the requirements are the same as in the Punjab, viz., 12,056 maunds for a force of 10,000 fighting men. The transport of the force in Rohilcund is available; the transport of two out of the three brigades in the Punjab is available; and the transport of the depôts in Bengal, excluding the Assam Depôt (which is out of communication for purposes of rapid mobilisation); the total available transport is 14,581 maunds, or more than sufficient.

41. The requirements of the Bombay area are 9,600 maunds, for a mobilised force of 8,000 men. As in the case of Bengal, the transport of two out of the three brigades in the Punjab is available, and half the transport of the force in Rohilcund is available; these troops are, as a matter of fact, so placed as to be able to give quicker support to the Bombay area than some portions of the Bombay army could. Adding this available transport to the Bombay Depôt transport gives a total of 10,866 maunds, which is more than sufficient.

42. In Madras the requirements are 6,008 maunds for the mobilisation of 5,000 men. While the Madras area could be supported by transport sent from other presidencies, it is not so with Burma, which is an outlying province of Madras, and dependent on it. This is, therefore, the weakest point; and there is available, the transport of the force in Burma, with the transport of the force at Rangoon, and the transport of the depôts in Madras, less the elephants and camels of these depôts, which cannot be moved or counted; these give a total of 8,826 maunds, which are more than sufficient.

43. The mobile transport available for despatch from the depôts to a seaport or distant point is shown in Table E, Section VIII. The amount available is 17,100 maunds, which would equip 13,500 men on the hot-weather scale, or 10,000 men on the same scale with 12 days' supply of food. None of the transport, it will be noticed, of the troops equipped with one half transport has been reckoned on, for the reason, as previously stated, that it is not possible to calculate on its being available, and the minimum power only is stated.

44. It has been shown, however, that the scheme provides for the necessities imposed at starting, and that, leaving the transport of the various frontier forces untouched, it provides for the mobilisation of the following troops within their army corps area—

Punjab	10,000	Bombay	8,000
Bengal	10,000	Madras	5,000

and that, leaving untouched both the transport of the frontier forces and the transport of all troops equipped with one-half transport in regimental charge, it provides for the mobilisation at a seaport of 13,500 men.

45. As regards the third point, namely, the means to be adopted for the expansion of the transport in time of war, the agency to effect it has been decided as previously stated, viz., the officers of the transport, with the assistance of the civil officers throughout the country, and the officers of the Quartermaster General's department. Efficient and rapid expansion of transport from the reserves of animals, vehicles, &c., in daily use in the country at large can only be accomplished when there is a previous knowledge of the whereabouts of animals and vehicles, and when this transport has been previously classed and prearrangements made for its mobilisation at convenient centres. To carry this out with the agency decided on, instructions to the following effect have been given to the officers provisionally appointed to the depôts:—

That having obtained skeleton maps of the district (which need only contain main roads, lines of rivers and railways), these maps should be filled in with the names of all the chief towns and large villages; that certain convenient centres should be chosen in the lines of rail, such as the larger stations and embarkation points on the rivers, and circles of 10, 20, 30 miles drawn round these centres, each circle representing one day's, two days', and three days' march from the centre or point of concentration for the transport within the circle, that each town or large village should be given a number within its circle; the circles being given capital letters and differently coloured; that a register book should be kept, in which the particulars concerning those towns would all be noted as derived in the first instance from the civil officers and officers of the Quartermaster General's Department, such as the names of the headmen, the number of each description of transport animals in the village, the number of vehicles, the maundage collectively of this transport, the maundage of that portion of the total which was of a mobile character, such as mule, pack bullocks, donkeys.

It is useless putting a force of 10,000 men into the field unless transports also available for their maintenance in the shape of supplies, ammunition, &c.; 10,000 men require 90,000 maunds for their equipment and one month's supplies. It has been shown that transport is available for the equipment portion, and therefore the balances, viz., in the Punjab 30,000 maunds, in Bengal 30,000 maunds, in Bombay 24,000 maunds, in Madras 15,000 maunds, are taken as the minimum amount of transport which should be on the registers, and all of a prearranged class and mobile description.

This is a very small portion of the transport in the country at large; its total is 99,000 maunds, while a return furnished to the Army Commission of transport available in the country on a fortnight's notice, and after deducting from it immobile transport, such as four bullock carts and elephants, gives as the total remaining the very large quantity of 5,93,058 maunds.

The return is acknowledged to be under the mark. Consequently, if it can be arranged to register one-sixth of the transport in the country of a prearranged and mobile description, the troops equipped by this scheme could be put into the field with transport for one month's supply without putting any heavy pressure on the country.

It will not be possible for the transport officers to assemble and personally inspect the transport on their registers, as the owners would expect to be paid hire for the loss of time in assembling; but they will be instructed to visit the large towns and villages, make acquaintance with the chief natives of influence and headmen, and check their registers, as far as it can possibly be done in this way.

The other points in the scheme, such as expense of buildings, followers' pensions, and the necessary establishments, have all been the subject of much attention and consultation with different authorities previous to final settlement, as now shown in the following sections.

SECTION III.

Transport in Regimental Charge.

The forces to be equipped with transport in regimental charge are as follows:—

46. The Quetta Force, to which has been allotted, first, a moveab column, consisting of—

½ Mountain Battery.
½ British Infantry Regiment.
1 Native „ „
1 Squadron Native Cavalry.

with full transport and five days' provisions.

Secondly, the outposts of Sharigh, Khush-dil Khan, and Gulistan, to which have been allotted transport to enable half these garrisons to move out with one day's supplies, blankets, and 200 rounds.

Both the above have been allotted in mules, and the total number of mules required is 1,496, as shown in the following tables:—

Table A. showing the Transport required on full Kabul Scale for Moveable Column at Quetta.

Regiments.	European Officers.	Native Officers.	European Non-commissioned Officers.	Native Non-Commissioned Officers.	European Fighting Men.	Native Fighting Men.	Followers.	Maunds on Kabul Scale.	Mules.
½ Mountain Battery	1½	1	–	6	–	75½	115⅓	95	48
½ European Infantry Regiment	15	–	32½	–	410	–	200⅓	650	325
1 Native Infantry Regiment	9	16	–	80	–	720	229	712	356
1 Squadron Native Cavalry	2⅔	4⅓	–	20	–	128	134⅓	100	50
Food for five days, as per note below	–	–	–	–	–	–	–	337⅔	169
Total	28⅙	21⅓	32½	106	410	923½	6,679⅓	1,894⅔	948

		Mds.	s.	ch.
Note.—Five days' food for	471 Europeans, at 3½ lbs. each	100	7	0
„ „	1,051 Natives, at 19⅓ chts.	153	29	12⅔
„ „	680 Followers, at 1⅛ chts.	78	31	15½
	Total	337	28	12½

Table B., showing the Transport required for Outposts in the Quetta Command.

Regiments.	European Officers.	Native Officers.	Native Non-Commissioned Officers.	Native Fighting Men.	Followers.	Mules.		Maunds.
						Equipment, one Blanket each.	Ammunition.	
A.—Khush-dil Khan—4 Companies Native Infantry	4½	8	40	368	114½	20	73	186
B.—Sharigh—4 Companies Native Infantry	4½	8	40	368	114½	20	73	186
B.—Sharigh—2 Squadrons Native Cavalry	6	8⅓	40	322	312⅔	26	65	182
C.—Gulistan—4 Companies Native Infantry	4½	8	43	368	114½	20	73	186
C.—Gulistan—½ Troop Native Cavalry	1	1	5	40¼	39	3	8	22
Food for one day, as per note below	–	–	–	–	–	31	–	61
Total	20½	33⅓	165	1,466¼	695⅙	120	292	823
						412		

		Mds.	s.	ch.
Note.—One day's food for	20½ Europeans, at 3½ lbs. each	0	35	14
„ „	1,466¼ Natives, at 19⅓ chts.	44	11	11
„ „	695 Followers, at 14⅝ chts.	16	4	5
	Total	61	11	14

The Quetta transport will therefore consist of 1,496 mules, which is the total of the above tables, with 10 per cent. spare.

47. The following forces are to be equipped with one half transport:—

A.—A brigade of all arms in Sind.
B.—The troops in the Peshawar District.
C.—Portion of the army in the Punjab, consisting of three brigades of all arms.
D.—The small force in Rohilcund.
E.—The Punjab Frontier Force.
F.—The force in Eastern Frontier.
G.—The force in Burmah.

The brigade of all arms in Sind, the troops in the Peshawar District, and the troops composing the three brigades of all arms in the Punjab, also the troops of the small force in Rohilcund, will be equipped as follows:—

Infantry regiments will be equipped with light carts to the extent that will carry 100 rounds of ammunition per fighting man.

Mules to the extent that will carry 30 pounds per man, and the balance of weight of their one-half transport will be given in hired camels.

Two mules extra per company equipped with transport for water-supply.

Cavalry and mountain batteries will be given the transport that moves most rapidly, viz., mules.

Field batteries will be equipped with half-light carts, and half hired camels.

Sappers and miners with mules for the carriage of 30 rounds per man, and the balance of their one-half transport will be hired camels.

On the above plan, a regiment of British Infantry will be equipped as follows:—

	Mds.
One-half transport is as per scale	619
Carts are required for 100 rounds per man = 44,300 rounds = 74 boxes of 600 rounds each, at six boxes per cart* = 13 carts, or	78
Mules are required for 30 rounds per man = 13,290 rounds at one mule to two boxes of 600 rounds each, 12 mules, or	24
Hired camels are required for the balance of one-half transport = 104 camels, or	517
Add for water-supply two mules per company for half the companies in the regiments =	*Mules.* 8
Add for 13 carts	13

The total transport required for a regiment of British Infantry is therefore 13 carts, 33 mules, and 104 camels.

A regiment of Native Infantry requires one-half transport or 356 maunds.

	Mds.
Carts are required for 100 rounds per man=40,800 rounds=73 boxes of 560 rounds each=12½ carts, say, 13 carts, or	70
Mules are required for 30 rounds per man=12,240 rounds at one mule to two boxes of 560 rounds each=11 mules, or	22
Hired camels are required for the balance of one-half transport=52 camels, or	260
Add for water-supply two mules per company for half the companies in the regiment	*Mules.* 8
Add for 13 carts	13

The total transport required for a Native Infantry Regiment is therefore 13 carts, 32 mules, and 52 camels.

A regiment

* European Infantry use Henri-Martini ammunition, which are packed in boxes containing 600 each. Native Infantry use Snider ammunition, which are packed in boxes of 560 each. In both cases the weight is between 78 and 79 lbs.

A regiment of native cavalry requires one-half transport, or 149 maunds, or 75 mules, at 1 mule to 2 maunds.

A field battery requires one-half transport, or 134 maunds, one-half of which is to be in light carts, or 11 carts=66 maunds.

Balance in camels, or 14 camels=68 maunds.

The total transport required for a field battery is, therefore, 11 light carts, 11 mules, and 14 camels.

	Mds.
A company of sappers and miners requires one-half transport, or	68
Mules are required for 30 rounds per man=3,480 rounds, at 1 mule to 2 boxes of 560 rounds each, or 4 mules	8
Hired camels are required for the balance of one-half transport, viz., 12 camels, or	60
	Mules.
Add for water-supply	2

The total transport required for a company of sappers and miners is, therefore, 6 mules and 12 camels.

A mountain battery, British, requires one-half transport, or 156 maunds, all of which is to be given in mules, or 78 mules, at 1 mule to 2 maunds=156 maunds.

Applying the above, the following tables show the transport required, and in the case of the troops in the Peshawar District, and the three brigades of all arms in the Punjab, the stations which furnish the regiments are mentioned, his Excellency the Commander in Chief having laid these down.

49. The one brigade of all arms in Sind requires as follows:—

	Camels, Hired.	Mules. For Pack.	Mules. For Puckals.	Mules. For Light Carts.	Light Carts.	Total. Camels.	Total. Mules.	Total. Light Carts.	Maunds.	Remarks.
1 Regiment British Infantry	104	12	8	13	13	104	33	13	619	Weight for animals in Columns 3 and 4 not included in maundage.
2 Regiments Native Infantry	52	11	8	13	13	104	64	26	720	
1 Battery Field Artillery	14	–	–	11	11	14	11	11	136	
1 Regiment Native Cavalry	–	75	–	–	–	–	75	–	150	
				Total		222	183	50	1,625	

50. The troops in Peshawar District require as follows:—

	Stations.	Camels.	Mules. For Pack.	Mules. For Puckals.	Mules. For Light Carts.	Light Carts.	Total. Camels.	Total. Mules.	Total. Light Carts.	Maunds.
2 British Infantry, each	1 Peshawar, 1 Nowshera	104	12	8	13	13	208	66	26	1,238
3 Native Infantry, each	Peshawar	52	11	8	13	13	156	96	39	1,080
2 Bengal Cavalry, each	1 Peshawar, 1 Nowshera	–	75	–	–	–	–	150	–	300
2 Companies Sappers, each	Peshawar	12	4	2	–	–	24	12	–	136
2 Field Batteries, each	Peshawar	14	–	–	11	11	28	22	22	272
					Total		416	346	87	3,026

51. The portion of the army in the Punjab, consisting of three brigades of all arms, requires as follows:—

——	Stations.	Camels.	Mules.			Light Carts.	Total.			Maunds.
			For Pack.	For Puckals.	For Light Carts.		Camels.	Mules.	Light Carts.	
1st Punjab Brigade:										
1 Mountain Battery	Murree Hills	–	78	–	–	–	–	78	–	156
1 Company Sappers and Miners	Rawalpindi	12	4	2	–	–	12	6	–	68
1 British Infantry	ditto	104	12	8	13	13	104	33	13	619
3 Native Infantry, each	1 Rawalpindi 1 Jhelum 1 Sialkot	52	11	8	13	13	156	96	39	1,080
1 Native Cavalry	Sialkot	–	75	–	–	–	–	75	–	150
2nd Punjab Brigade:										
1 Field Battery	Meean Meer	14	–	–	11	11	14	–	11	136
1 Company Sappers and Miners	Roorkee	12	4	2	–	–	12	6	–	68
1 British Infantry	Mooltan	104	12	8	13	13	104	33	13	619
3 Native Infantry, each	1 Meean Meer 1 Mooltan 1 Bakloh	52	11	8	13	13	156	96	39	1,080
1 Native Cavalry	Mooltan	–	75	–	–	–	–	75	–	150
3rd Punjab Brigade:										
1 Mountain Battery	Jutogh	–	78	–	–	–	–	78	–	156
1 Company Sappers and Miners	Roorkee	12	4	2	–	–	12	6	–	68
1 British Infantry	Umballa	104	12	8	13	13	104	33	13	619
3 Native Infantry, each	1 Jullundur 1 Dehra 1 Agra	52	11	8	13	13	156	96	39	1,080
1 Native Cavalry	Umballa	–	75	–	–	–	–	75	–	150
					Total		830	786	167	6,199

The small force in Rohilcund:—

——	Stations.	Camels.	Mules.			Light Carts.	Total.			Maunds.
			For Pack.	For Puckals.	For Light Carts.		Camels.	Mules.	Light Carts.	
1 British Infantry	In the Bareilly Command.	104	12	8	13	13	104	33	13	619
1 Native Infantry		52	11	8	13	13	52	32	13	360
2 Guns, Field Battery		5	–	–	3	3	5	3	3	43
1 Squadron Native Cavalry		–	25	–	–	–	–	25	–	50
					Total		161	93	29	1,072

52. The

52. The Punjab Force is to be equipped with one-half transport. The force consists of—

4 Regiments of native cavalry.
10 Regiments of native infantry.
The Corps of Guides, which consists of a cavalry and an infantry regiment.
4 Mountain batteries.

But the character of the country varies, and the regiments must be in a slight degree differently equipped.

Two of the infantry regiments are quartered in Hazara, and these regiments are given mules only.

Cavalry regiments are given mules only.

Mountain batteries are given mules only.

The remaining eight regiments of infantry are given transport, partly in light carts, partly in mules, and partly in camels.

The cavalry portion of the Corps of Guides is given in mules, and the infantry portion as in the case of the other eight regiments.

A regiment in Hazara requires - -	178 mules for 356 maunds.
Add for water-supply - - - -	8 mules.
TOTAL - - -	186 mules.

Other infantry regiments and the infantry of the Corps of Guides require each—

	Maunds.
10 carts, or - - - - - - - -	60
40 camels, or - - - - - - - -	200
48 mules, or - - - - - - - -	96
TOTAL - - -	356

Add 8 mules for water-supply, and the total for each infantry regiment is 10 carts, 40 camels, and 66 mules.

Each regiment of native cavalry requires 75 mules for 149 maunds.

Each mountain battery, native, requires 48 mules for 95 maunds.

The following table shows the requirements of each regiment, and the total requirements of the Punjab Frontier Force.

53. The Punjab Frontier requires as follows (inclusive of what it at present has):—

One-half Transport for	Camels, Government.	Mules for			Light Carts.	TOTAL.			Maunds.	REMARKS.
		Puckals.	Pack.	Carts.		Camels.	Mules.	Light Carts.		
4 Regiments Native Cavalry, each - - - - - -	–	–	75	–	–	–	300	–	600	Weight for animals in Columns 2 and 4 not included in maundage.
8 Regiments Native Infantry, each - - - - - -	40	8	48	10	10	320	528	80	2.848	
2 Regiments in Hazara, each -	–	8	178	–	–	–	372	–	712	
Corps of Guides - - -	40	8	123	10	10	40	141	10	506	
5 Mountain Batteries, each -	–	–	48	–	–	–	240	–	480	
TOTAL - - -						360	1,581	90	5,146	

54. The force in the Eastern Frontier requires one-half transport, and it is allotted according to local necessities. At some places, to provide for a regiment being in a position to move a detachment out at any time of the year, it

is necessary to provide it with three descriptions of transport, viz., elephants, mules, and coolies; at other places a majority of coolies are required. The allotments given in the following table are those fixed on by his Excellency the Commander in Chief.

55. The transport required for Eastern Frontier is as follows:—

One-half Transport for	Elephants.	Camels.	Mules for		Establishment.			Light Carts.	Total.					Elephants.	Maunds.	Remarks.
			Puckals.	Pack.	Sirdars.	Mates.	Coolies.		Camels.	Mules.	Sirdars.	Mates.	Coolies.			
1 Native Infantry Regiment at Kohima	–	–	8	–	14	28	712	–	–	8	14	28	712	–	356	Weight for animals in Column 3 not included in maundage.
1 Native Infantry Regiment at Dibrughar	24	–	–	–	–	–	–	–	–	–	–	–	–	24	360	
1 Native Infantry Regiment at Shillong	12	–	8	88	–	–	–	–	–	96	–	–	–	12	356	
1 Native Infantry Regiment at Cachar	10	–	8	50	4	8	212	–	–	58	4	8	212	10	356	
Mountain Battery, British	–	–	–	78	–	–	–	–	–	78	–	–	–	–	156	
							Total		–	240	18	36	924	46	1,584	

56. The force in Burma requires one-half transport, and it is allotted in elephants and mules as follows:—

Elephants are given as per the Order of Government contained in Military Department Nos. 408 and 409, dated 31st May 1882, and the balance is allotted in mules.

According to this arrangement a British infantry regiment requires—

15 elephants	for 225 maunds.	
197 mules	for 394	„
Total	619	„

Add, for water-supply, 8 mules.

The total transport required for a regiment of British infantry, is therefore, 15 elephants and 205 mules.

A native infantry regiment requires—

8 elephants	for 120 maunds.	
118 mules	for 236	„
Total	356	„

Add, for water-supply, 8 mules.

The total transport required for a regiment of native infantry is, therefore, 8 elephants and 126 mules.

A mountain battery is given in Burma, by the Government Order alluded to, for special reasons, 18 elephants, which is equivalent to 170 maunds, or more than sufficient.

One company sappers requires mule carriage as follows:—

Thirty-four mules for 68 maunds, with two mules for water-supply; in all 36 mules.

The following table shows the total transport required for the force in Burma.

57. The

57. The requirements of the force in Burma are as follows: —

	Elephants.	Mules or Ponies.		Total.		Maunds.	Remarks.
		Puckals.	Pack.	Elephants.	Mules.		
2 British regiments, each	15	8	197	30	410	1,238	Weight for animals in Column 2 not included in maundage.
5 Native Infantry regiments, each	8	8	118	40	630	1,780	
2 Mountain Batteries, each	18	–	–	36	–	540	
1 Company Sappers	–	2	34	–	36	68	
Total				106	1,076	3,626	

58. The total transport required for the troops equipped with transport in regimental charge is given in the following table: —

	Camels.	Mules.	Light Carts.	Elephants.	Sirdars.	Mates.	Coolies.	Maunds.	Remarks.
Quetta	–	1,496	–	–	–	–	–	–	
A brigade of all arms in Sind	222	183	50	–	–	–	–	1,025	
The troops in the Peshawar District	416	346	87	–	–	–	–	3,026	
Portion of the army in the Punjab, consisting of three brigades of all arms	830	786	167	–	–	–	–	6,199	
The small force in Rohilcund	161	93	29	–	–	–	–	1,072	
The Punjab Frontier Force	360*	1,581	90	–	–	–	–	5,146	* The camels in Punjab Frontier Force are Government camels.
The force on Eastern Frontier	–	240	–	46	18	36	924	1,584	
The force in Burma	–	1,076	–	106	–	–	–	3,626	
Total	1,989	5,801	423	152	18	36	924	22,278	

59. The organisation of transport in regimental charge will be as follows:—

The officer commanding a regiment would become responsible for the transport on its being made over to him; he would appoint an officer of the regiment as regimental transport staff officer. This officer to be a European officer in Native regiments.

This transport staff officer will hold the same relative position to the transport in regimental charge as the Musketry Instructor does as regards musketry.

On transport being distributed to companies, one non-commissioned officer would be struck off duty in each company as transport assistant. In cavalry the same as above, "troop" being substituted for "company."

Batteries of artillery, mountain batteries, and company of sappers, when equipped with half-transport, to count as one company of infantry. It should be a portion of the yearly training of a regiment, wherever possible, that it should pass a certain portion of each drill season under canvas outside cantonment limits, and make short marches as if on service.

It will be a rule with all transport that the officers of the transport branch of the Commissariat are responsible for it in all respects; animals, carts, equipment, and gear. Officers commanding regiments must accept what is issued to them, and have not power of holding regimental committees to condemn any portion of it. Defects should be brought to the notice of officers commanding stations.

If a non-commissioned officer cannot be spared as transport assistant, a private may be told off for the duty.

The officers appointed by officers commanding regiments and batteries as transport staff officers will receive 30 rupees per mensem. European and Native non-commissioned officers and men who are appointed as transport assistants will receive working pay as per Pay Code.

Officers commanding regiments and batteries with transport in regimental charge will give every facility, on due notice being given, for the inspection of the transport in their charge by the circle or depôt transport officers.

SECTION IV.

Depôts and their Outstations.

60. The transport to be maintained at depôts and at stations dependent on them is given in the following table :—

Depôts.	Stations dependent on Depôts.	Transport Allotted.							Boats.	Maunds.
		Elephants.	Camels.	Mules.	Pack Bullocks.	Carts, Army Transport.	Carts, Light.	Coolies.		
Rawalpindi	Rawalpindi Sialkot Jhelum Talagunge Murree and Murree Hills Peshawar Attock Campbellpore Nowshera	28	200	500	–	50	–	–	–	3,020
Lahore (Meean Meer)	Meean Meer Jullundur Mooltan Ferozepore Amritsar Govindgarh Dharmsala Bakloh, near Dalhousie	30	100	–	–	50	–	–	–	1,550
Meerut	Meerut Umballa Moradabad Almora, Naini-Tal Shahjahanpur Ranikhet Dehra Dun Chakrata Delhi Landour Roorkee Kasauli Sabathu Dagshai	24	100	500	–	50	–	–	–	2,460
Sepree*	Agra Gwalior (Morar) Jhansi Muttra Fatehgarh Nasirabad	28	150	–	–	50	–	–	–	1,770
Lucknow	Lucknow Fyzabad Bareilly Sitapur	96	–	–	–	50	–	–	–	2,040
Allahabad	Allahabad Gorakhpur Saugor Jubbulpore Banda Cawnpore Dinapore Benares Segowlie Nowgong Pachmarhi	31	–	–	250	100	–	–	–	2,165
Calcutta	Darjeeling Jalpaiguri Barrackpore Fort William Alipore Dum-Dum Hazaribagh Dorunda Bhagalpur Dacca Buxa	54	–	–	–	50	–	–	–	1,410

* A portion of the transport of this depôt will be placed in regimental charge in the cold season, with troops at Jhansi and Morar as noted in paragraph 84.

Depôts.	Stations dependent on Depôts.	Transport Allotted.								
		Elephants.	Camels.	Mules.	Pack Bullocks.	Carts, Army Transport.	Carts, Light.	Coolies.	Boats.	Maunds.
Assam	Shillong, Jowai, &c. Dibrugarh, Sadiya, &c. Cachar, Monierkhal Gauhati, Tezpur, &c.	40	–	250	–	–	–	300	6	1,550
Jacobabad	Jacobabad Karachi Hyderabad Sukkur	–	250	–	–	50	–	–	–	
Mhow	Mhow Neemuch Abu Kamptee Sitabuldee Hoshangabad Raipur Chanda Sironcha	–	–	250	–	100	–	–	–	6,150
Poona	Poona Ahmednagar Malegaon Satara Sholapur Ahmedabad Deesa Rajkot Belgaum Aden Kolhapur Baroda Bombay Deolali	60 –	– –	– 250	– –	– 100	– –	– –	– –	
Secunderabad	Secunderabad Bellary	–	120	–	–	50	–	–	–	
Bangalore	Bangalore French Rocks Mercara Nilgiris Cannanore Calicut Maliyapuram Mangalore	–	–	250	–	100	–	–	–	5,455
Madras	Madras St. Thomas' Mount Pallaveram Poonamallee Vellore Waltair Vizagapatam Vizianagram Berhampore Sambulpur Cuttack Trichinopoly Quilon Palamcotta	57 –	– –	– –	– 250	– 100	– –	– –	– –	
Rangoon	Rangoon Thayetmyo Toungoo Moulmein	–	–	–	500	–	50	–	–	1,300
	Grand Total	448	920	2,000	1,000	900	50	300	6	28,870

61. The amount of transport to be detached from the depôts to the out-stations depending on the depôts would be detailed by the general officers commanding the divisions or districts, under whose authority the transport would necessarily be.

The 500 mules allotted to Meerut are to cover the requirements of hill stations depending on it.

The 500 mules allotted to Rawalpindi are to cover in part the numbers required at hill stations depending on it, the balance being supplied by regiments.

Elephants have been allotted in accordance with Military Department Nos. 403 and 409, of 31st May 1882.

In each army corps area one depôt will be a depôt of instructions, as follows:—

Rawalpindi in the Punjab,
Meerut „ Bengal,
Poona „ Bombay,
Bangalore „ Madras,

and it is proposed that, under orders of the officers commanding the armies, small detachments of the various regiments should be sent to these training depôts for a course of instruction during the cold season.

These stations have been selected as those having large garrisons themselves, and as depôts which, from their situations and surroundings, require transport of almost all descriptions. Tuition can thus be given in the loading and treatment of almost every description of animals used.

62. The total of transport to be maintained in the depôts is as follows:—

———	Elephants.	Camels.	Mules.	Pack Bullocks.	Army Transport Carts.	Light Carts.	Coolies.	Boats.	Maunds.
Punjab - - - -	58	300	500	–	100	–	–	–	4,570
Bengal - - - -	273	250	750	250	300	–	300	6	11,395
Bombay - - - -	60	250	500	–	250	–	–	–	6,150
Madras - - - -	57	120	250	750	250	50	–	–	6,755
TOTAL - - -	448	920	2,000	1,000	900	50	300	6	28,870

63. The total transport to be maintained in India is as follows:—

———	Elephants.	Camels, Government.	Camels, Hired.	Mules.	Pack Bullocks.	Army Transport Carts.	Light Carts.	Sirdars.	Mates.	Coolies.	Boats.	Maunds.
With Frontier Forces (Section 3).	152	360	1,629	5,801	–	–	423	18	36	924	–	22,278
At Depôts and Stations depending on them (Section 4).	448	–	920	2,000	1,000	900	50	6	12	300	6	28,870
Add, spare - - -	–	36	–	290	–	–	–	–	–	–	–	–
TOTAL - - -	600	396	2,549	8,091	1,000	900	473	24	48	1,224	6	51,148

SECTION V.

Establishments.

64. The Commissariat Department would require to be strengthened as follows:

1 Officer at the head of the Transport Branch of the Commissariat Department	1
1 Officer for each depôt - - - - - - - - - - -	15
4 Officers additional at the four training depôts - - - - - -	4
Total - - -	20

There are six depôts in Bengal, Assam included.

There are two in the Punjab.

It is proposed there should be four in Madras, Rangoon included.

It is proposed there should be three in Bombay.

The following would be the additions required in the Commissariat Department:—

For Bengal and the Punjab.	1 Deputy Commissary General. 1 Assistant Commissary General, 2nd Class. 2 Deputy Assistant Commissary Generals, 1st Class. 2 Deputy Assistant Commissary Generals, 2nd Class. 3 Sub-Assistant Commissary Generals, 1st Class. 2 Sub-Assistant Commissary Generals, 2nd Class.
Total - - -	11
Bombay - - -	1 Assistant Commissary General, 2nd Class. 1 Deputy Assistant Commissary General, 2nd Class. 1 Sub-Assistant Commissary General, 1st Class. 1 Sub-Assistant Commissary General, 2nd Class.
Total - - -	4
Madras - - -	1 Assistant Commissary General, 2nd Class. 1 Deputy Assistant Commissary General, 1st Class. 1 Deputy Assistant Commissary General, 2nd Class. 1 Sub-Assistant Commissary General, 1st Class. 1 Sub-Assistant Commissary General, 2nd Class.
Total - - -	5
Grand Total - -	20

65. The following list gives the number of warrant and non-commissioned officers to be added to the Commissariat:

For Bengal and Punjab -	1 Deputy Assistant Commissary. 5 Conductors. 7 Sub-Conductors. 10 Sergeants.
To Madras - - -	2 Conductors. 3 Sub-Conductors. 5 Sergeants.
To Bombay - - -	1 Conductor. 1 Sub-Conductor. 3 Sergeants.

66. The following table show the peace and war strength of the different descriptions of transport:

Peace Establishment.	War Establishment.	Number required to Complete.
Mules, Ponies, or Pack Bullocks.		
250 Animals— 5 Jemadars. 10 Duffadars. 92 Drivers, *i.e.*, 1 to 3, and 10 per cent. spare. 1 Weighman. 1 Gomashta, 2nd class. 1 Peon.	1,000 Animals— 1 Transport officer. 2 Warrant officers. 20 Jemadars. 40 Duffadars. 366 Drivers, *i.e.*, 1 to 3, and 10 per cent. spare. 4 Weighman. 4 Peons.	750 Animals— 1 Transport officer. 2 Warrant officers. 15 Jemadars. 30 Duffadars. 274 Drivers. 3 Weighmen. 3 Peons.
Veterinary Establishment.		
1 Salutri. 2 Shoeing-smiths. 2 Native saddlers.	4 Salutris. 8 Shoeing-smiths.	3 Salutris. 6 Shoeing-smiths.
Artificers.		
1 Carpenter. 1 Blacksmith. 1 Hammerman. 1 Bellowsman.	1 Mule agent or gomashta, 1st class. 8 Native saddlers. 4 Carpenters. 4 Blacksmiths. 4 Hammermen. 4 Bellowsmen. 1 Gomashta, 1st class. 1 Gomashta, 2nd class.	1 Mule agent. 6 Native saddlers. 3 Carpenters. 3 Blacksmiths. 3 Hammermen. 3 Bellowsmen. 1 Gomashta, 1st class.
Camels.		
100 Camels— 2 Jemadars. 4 Duffadars. 37 Surwans, *i.e.*, 1 to 3, and 10 per cent. spare.	500 Camels— 1 Transport officer. 2 Warrant officers. 1 Moonshee. 2 Weighmen. 10 Jemadars. 20 Duffadars. 184 Surwans, 1 to 3, and 10 per cent. spare. 1 Gomashta, 1st class. 1 Naib Chowdry.	400 Camels— 1 Transport officer. 2 Warrant officers. 1 Naib Chowdry. 1 Moonshee 2 Weighmen. 8 Jemadars. 16 Duffadars. 147 Surwans. 1 Gomashta, 1st class.
Artificers.		
1 Carpenter.	5 Carpenters.	4 Carpenters.

67. The establishment for one division of draught transport of 600 maunds to be expanded to 3,000 maunds in time of war.

Army transport cart carries 12 maunds, drawn by two animals.
Light transport cart carries six maunds, drawn by one animal.

Peace Establishment.	War Establishment.	Number required to Complete.
Army Transport Carts.		
50 Carts— 100 Bullocks. 2 Jemadars. 4 Duffadars. 55 Drivers, *i.e.*, 1 to each cart, and 10 per cent. spare.	250 Carts— 500 Bullocks. 1 Transport officer. 2 Warrant officers. 10 Jemadars. 20 Duffadars. 275 Drivers, *i.e.*, 1 to each cart, and 10 per cent. spare.	200 Carts— 400 Bullocks. 1 Transport officer. 2 Warrant officers. 8 Jemadars. 16 Duffadars. 220 Drivers.

Peace Establishment.	War Establishment.	Number required to Complete.
Veterinary.		
1 Salutri. 1 Shoeing-smith.	3 Salutris. 2 Shoeing-smiths.	2 Salutris. 1 Shoeing-smith.
Artificers.		
1 Blacksmith. 1 Bellowsman. 1 Hammerman. 1 Carpenter. 1 Wheel greaser. 1 Gomashta, 3rd class.	3 Blacksmiths. 3 Bellowsmen. 3 Hammermen. 3 Carpenters. 3 Wheel greasers. 2 Weighmen. 1 Peon. 1 Gomashta, 1st class. „ 3rd „	2 Blacksmiths. 2 Bellowsmen. 2 Hammermen. 2 Carpenters. 2 Wheel greasers. 2 Weighmen. 1 Peon. 1 Gomashta, 1st class.
Light Carts.		
100 Carts— 100 Animals. 2 Jemadars. 4 Duffadars. 110 Drivers, 1 each, and 10 per cent. spare.	600 Carts— 600 Animals. 1 Transport officer. 2 Warrant officers. 12 Jemadars. 24 Duffadars. 660 Drivers, 1 each and 10 per cent. spare.	500 Carts— 500 Animals. 1 Transport officer. 2 Warrant officers. 10 Jemadars. 20 Duffadars. 550 Drivers, 1 each, and 10 per cent. spare.
Veterinary.		
1 Salutri. 1 Shoeing-smith.	2 Salutris. 2 Shoeing-smiths.	1 Salutri. 1 Shoeing-smith.
Artificers.		
1 Blacksmith. 1 Bellowsman. 1 Hammerman. 1 Carpenter. 1 Wheel greaser. 1 Gomashta, 3rd class.	3 Blacksmiths. 3 Bellowsmen. 3 Carpenters. 3 Wheel greasers. 2 Weighmen. 1 Peon. 1 Gomashta, 1st class. 1 „ 3rd „	2 Blacksmiths. 2 Bellowsmen. 2 Carpenters. 2 Wheel greasers. 2 Weighmen. 1 Peon. 1 Gomashta, 1st class.

68. A small equipment establishment would be necessary at each of the four training depôts. At each of these depôts a small piece of land will be enclosed, and sheds run up on it, or a small house, and compound rented for the purpose. Muster patterns of every description of carts in use, and every description of saddle and gear in use, or likely to be required in war, would be here kept, and registers made of all the principal manufacturers within the army corps area, showing the time it would take them to make up a given quantity of the muster patterns, and probable cost. A small establishment would be required, which would be limited to 200 rupees per month at each of the four depôts, including rent, repairs of sheds, &c.

SECTION VI.

Followers.

69. The following uniform will be issued to each followers:—

A khakhi drill blouse.
A saloo puggree.
A pair of shoes.
A broad leather belt with A.T. engraved on it.

70. The following is the scale of pay:—

	Per Mensem.
	Rs.
Elephant Attendants.	
1 Jemadar to every 10 animals	10
1 Mahout to each elephant	8
1 Coolie „ „	5
Camel Attendants.	
1 Jemadar to 50 camels	10
1 Duffadar to 25 „	8
1 Surwar to 3 „	6
Mule, Pony, and Bullock Attendants.	
1 Jemadar to 50 at	10
1 Duffadar to 25 „	8
1 Driver to 3 „	6
N.B.—Drivers for army transport carts, 1 to each pair. Drivers for light carts, 1 to each.	
Veterinary.	
Salutris, each	35
Assistant salutris, each	20
Shoeing-smith, each	15
Artificers.	
Blacksmiths, each	15
Saddler „	12
Carpenters „	10
Bellowsmen „	6
Hammermen „	6
Wheel greasers „	6
Weighmen „	6
Peons „	6
Gomashtas.	
1st class	50
2nd „	40
3rd „	30

All followers whose pay is under 10 rupees per mensem to receive compensation for dearness of provisions.

71. It will be necessary to provide buildings at the centres for the equipment, &c., stationed there. I have no means of ascertaining what the initial outlay will be. A light shed for the carts, and the same for a hospital for the animals, with a godown for equipment and blacksmith's and carpenter's huts, are about the total of what is required at each depôt. For the annual repairs of these buildings I have estimated 500 rupees per depôt yearly, which is a liberal allowance.

72. Regarding huts for the followers, it will be necessary to consider that at many stations hutting room may not be found near the lines of regiments, and that the transport in regimental charge will have to be located in the transport lines. At the same time it will be seen in the table at Section IV, paragraph 60, that the transport allotted to depôts in the proximity of the frontiers is small, and "some of this must be" distributed over the stations depending on the depôts; and it will be found that when the scheme is brought into operation, the present accommodation existing will, in most cases, be sufficient; where it is not so, then hutting for the followers and buildings as above-mentioned must be given. This can only be considered locally by the military commanders throughout the country, under whom the supreme control of all transport must rest.

SECTION VII.

Yearly Cost and Details of Calculation.

73. The cost of transport in regimental charge as shown in Section III., paragraph 58, is—

			Rs.	*Rs.*
	152	elephants at *Rs.* 600 each	91,200	
	360	Government camels at *Rs.* 164. 5. each	59,152	
	1,629	hired camels at 80 rupees each	1,30,320	
	5,801	mules, less 423 included in the cost of carts = 5,378 mules at *Rs.* 152. 1. each	8,17,822	
	18	Sirdars at 14 × 12	3,024	
	36	mates at 10 × 12	4,320	
	924	coolies at 8 × 12	88,704	
	423	light carts at *Rs.* 254. 3. each	1,07,521	
Add	290	mules at 5 per cent. spare on the total of 5,801 at *Rs.* 152. 1. each	44,098	
Add	36	Government camels at 10 per cent. spare on the total of 360 at *Rs.* 164. 5. each	5,915	
				13,52,076

The cost of depôt transport as shown in Section IV., paragraph 62, is —

		Rs.	
448	elephants at 600 rupees each	2,68,800	
920	hired camels at 80 rupees each	73,600	
2,000	mules at *Rs.* 152. 1. each	3,04,125	
1,600	pack bullocks at *Rs.* 138. 1. each	1,38,078	
400	army transport carts, with siege train bullocks at 138 rupees each	55,200	
500	army transport carts, with transport bullocks, at *Rs.* 386. 1. each	1,93,031	
50	light carts at *Rs.* 254. 3. each	12,709	
300	coolies	35,223	
6	boats	3,636	
			10,84,402
The cost of officers, warrant and non-commissioned officers, and offices as shown in Section VIII., paragraph 81			3,10,395
Cost of buildings, paragraph 71			7,500
Cost of equipment establishment, paragraph 68			9,600
Cost of regimental allowances, paragraphs 59 and 84			60,189
Cost of pensions to followers, paragraph 85			18,000
	Total		28,42,162
Leaving an unexpended balance of			6,57,838
	To complete the limit of		35,00,000

74. The following are the data on which calculations have been made. Elephants cost yearly 600 rupees each, from information received from the Controller of Military Accounts.

The cost of feeding a camel according to accounts received from the Examiners of Commissariat accounts in Bengal and Bombay, is for the five years ending in 1878 as follows :—

	Rs.	*a.*	*p.*	
Bengal	95	3	9	yearly.
Bombay	133	2	1	„
2)	228	5	10	
	114	3	–	each.

The cost of feeding a mule, from information similarly obtained is—

	Rs.	*a.*	*p.*	
Bengal - - - - - - - - -	54	1	6	yearly.
Madras - - - - - - - - -	108	–	–	„
Bombay - - - - - - - - -	92	9	5	„
	3) 254	10	11	
	84	14	4	each.

The cost of feeding a draught or pack bullock is—

	Rs.	*a.*	*p.*	
Bengal - - - - - - - - -	58	9	2	yearly.
Madras - - - - - - - - -	79	–	6	„
Bombay - - - - - - - - -	15	5	2	„
	3) 252	14	10	
	84	5	–	each.

75. The cost of maintaining a peace division of 250 pack mules is for a year—

		Rs.	*Rs.*	*a.*	*p.*
Food - - - - - - - - - - - -	=		21,223	15	4
5 Jemadars - - - - - - - - -	at 10 × 12 =		600	–	–
10 Duffadars - - - - - - - - -	„ 8 × 12 =		960	–	–
92 Drivers - - - - - - - - -	„ 6 × 12 =		6,624	–	–
1 Weigham - - - - - - - - -	„ 6 × 12 =		72	–	–
1 Peon - - - - - - - - -	„ 6 × 12 =		72	–	–
1 Salutri - - - - - - - - -	„ 35 × 12 =		420	–	–
1 Shoeing-smith - - - - - - - - -	„ 15 × 12 =		180	–	
2 Saddlers - - - - - - - - -	„ 12 × 12 =		288	–	–
1 Carpenter - - - - - - - - -	„ 10 × 12 =		120	–	–
1 Blacksmith - - - - - - - - -	„ 15 × 12 =		180	–	–
1 Hammerman - - - - - - - - -	„ 6 × 12 =		72	–	–
1 Bellowsman - - - - - - - - -	„ 6 × 12 =		72	–	–
1 Gomashta, 2nd class - - - - - - -	„ 40 × 12 =		480	–	–
			31,363	15	4

	Rs.	*a.*	*p.*		
Compensation for dearness of food for 106 men whose wages are under *Rs.* 10, at *Rs.* 10 per annum each -	1,060	–	–		
Material for repair of gear at 5 per cent. on cost price of 30 on—					
250 saddles - - - - - - - - -	375	–	–		
Clothing of 117 men at *Rs.* 2. 8. - - - -	292	8	–		
Purchase of 25 mules, at 150 rupees each - - -	3,750	–	–		
Clothing of 250 mules at 2 rupees each - - -	500	–	–		
Cost of 25 new saddles at 27 rupees each - - -	675	–	–	4,925	– –
				6,652	8 –

or *Rs.* 152. 1. each mule per year.

76. The

76. The cost of maintaining a peace division of 250 pack bullocks is—

				Rs.			*Rs.*	*a.*	*p.*
	Food					=	21,078	2	–
5	Jemadars	at	10 × 12			=	600	–	–
10	Duffadars	„	8 × 12			=	960	–	–
92	Drivers	„	6 × 12			=	6,624	–	–
1	Weighman	„	6 × 12			=	72	–	–
1	Peon	„	6 × 12			=	72	–	–
1	Salutri	„	35 × 12			=	420	–	–
1	Shoeing-smith	„	15 × 12			=	180	–	–
2	Saddlers	„	12 × 12			=	288	–	–
1	Carpenter	„	10 × 12			=	120	–	–
1	Blacksmith	„	15 × 12			=	180	–	–
1	Hammerman	„	6 × 12			=	72	–	–
1	Bellowsman	„	6 × 12			=	72	–	–
1	Gomashta, 2nd class	„	40 × 12			=	480	–	–

	Rs.	*a.*	*p.*
Compensation for dearness of food for 106 men at 10 rupees per annum each	1,060	–	–
Material for repair of gear at 5 rupees per cent. on cost price of 10	125	–	–
Clothing of 117 men at *Rs.* 2. 8.	292	8	–
Purchase of 25 bullocks yearly at 50 rupees each	1,250	–	–
Clothing of 250 bullocks at 2 rupees each	500	–	–
Cost of 25 new saddles at 10 rupees	250	–	–
	3,477	8	–
TOTAL	34,695	10	–

or *Rs.* 138. 1. 3. each yearly.

77. The cost of maintaining a peace division of 100 camels is –

				Rs.			*Rs.*	*a.*	*p.*
	Food					=	11,418	12	–
2	Jemadars	at	10 × 12			=	240	–	–
4	Duffadars	„	8 × 12			=	384	–	–
37	Surwans	„	6 × 12			=	2,664	–	–
1	Carpenter	„	10 × 12			=	120	–	–
	Purchase of 10 camels	„		80		=	800	–	

	Rs.	*a.*	*p.*
Compensation for dearness of provisions to 41 men drawing less than 10 rupees per mensem at 10 rupees per annum each	410	–	–
Clothing of 44 men at *Rs.* 2. 8. each	110	–	–
Renewal of 10 saddles yearly at 15 rupees each	150	–	–
Gear at 10 per cent. on cost price of 6 rupees	60	–	–
Materials for repairs of saddlery at 5 per cent. on cost price of 15 rupees	75	–	–
	805	–	–
TOTAL	16,431	12	–

or *Rs.* 164. 5. each yearly.

78. The

78. The cost of maintaining a peace division of 50 army transport carts carrying 600 maunds is—

		Rs.	*Rs.*	*a.*	*p.*
	Feed of 100 bullocks	=	8,422	14	8
2	Jemadars	at 10 × 12 =	240	–	–
4	Duffadars	„ 8 × 12 =	384	–	–
55	Drivers	„ 6 × 12 =	3,960	–	–
1	Salutri	„ 35 × 12 =	420	–	–
1	Shoeing-smith	„ 15 × 12 =	180	–	–
1	Blacksmith	„ 15 × 12 =	180	–	–
1	Hammerman	„ 6 × 12 =	72	–	–
1	Bellowsman	„ 6 × 12 =	72	–	–
1	Carpenter	„ 10 × 12 =	120	–	–
1	Wheel greaser	„ 6 × 12 =	72	–	–
1	Gomashta, 3rd class	„ 30 × 12 =	360	–	–
	Material for repair of carts at *Rs.* 1. 4. per mensem each, grease included		750	–	–
	Purchase of 10 new carts at 250 rupees each		2,500	–	–
	Cost of 10 bullocks yearly at 50 rupees each		500	–	–
			18,232	14	8

	Rs.	*a.*	*p.*		
Compensation for dearness of food to 68 men at 10 rupees each per annum	680	–	–		
Clothing for 76 followers at *Rs.* 2. 8. each	190	–	–		
Clothing for 100 bullocks at 2 rupees each	200	–	–		
				1,070	– –
			TOTAL	19,302	14 8

or *Rs.* 386. 1. each.

79. Cost of maintaining a peace division of 50 army transport carts in Bengal, bullocks being lent by siege train, is—

		Rs.	*Rs.*	*a.*	*p.*
1	Salutri	at 35 × 12 =	420	–	–
1	Shoeing-smith	„ 15 × 12 =	180	–	–
1	Blacksmith	„ 15 × 12 =	180	–	–
1	Hammerman	„ 6 × 12 =	72	–	–
1	Bellowsman	„ 6 × 12 =	72	–	–
1	Carpenter	„ 10 × 12 =	120	–	–
1	Wheel greaser	„ 6 × 12 =	72	–	–
1	Gomashta, 3rd class	„ 30 × 12 =	360	–	–
	Material for repair of carts at *Rs.* 1. 4. per mensem each, grease included		750	–	–
	Purchase of 10 new carts at 250 rupees		2,500	–	–
	Difference between numbers of attendants sanctioned to siege train and those required for transport as follows:				
1	Jemadar	10 × 12 =	120	–	–
2	Duffadars	8 × 12 =	192	–	–
22	Drivers	6 × 12 =	1,584	–	–
	Compensation for dearness of food to 24 men at 10 rupees per annum		240	–	–
	Clothing for 24 men at *Rs.* 2. 8. each per annum		60	–	–
			50) 6,922	–	–
			138	–	– each.

80. The

80. The cost of maintaining a peace division of 100 light carts, carrying 600 maunds, is—

		Rs.	*Rs.*	*a.*	*p.*
	Feed of 100 mules	=	8,489	9	4
2	Jemadars	at 10 × 12 =	240	–	–
4	Duffadars	„ 8 × 12 =	384	–	–
110	Drivers	„ 6 × 12 =	7,920	–	–
1	Salutri	„ 35 × 12 =	370	–	–
1	Shoeing-smith	„ 15 × 12 =	180	–	–
1	Blacksmith	„ 15 × 12 =	180	–	–
2	Saddlers	„ 12 × 12 =	288	–	–
1	Hammerman	„ 6 × 12 =	72	–	–
1	Bellowsman	„ 6 × 12 =	72	–	–
1	Carpenter	„ 10 × 12 =	120	–	–
1	Wheel greaser	„ 6 × 12 =	72	–	–
1	Gomashta, 3rd class	„ 30 × 12 =	360	–	–
	Material for repair of carts, including grease, at *Rs.* 1. 4. per cart per mensem		1,500	–	–
	Purchase of 10 new carts at 200 rupees each		2,000	–	–
	Purchase of 10 mules yearly at 150 rupees each		1,500	–	–
	Clothing of 116 men at *Rs.* 2. 8. each		290	–	–
	Clothing of 100 mules at 2 rupees each		200	–	–
	Compensation for dearness of food for 170 men at 10 rupees each per annum		1,170	–	–
			25,526	0	4

or *Rs.* 254. 3. each yearly.

81. The cost of officers to be added to the Commissariat Department will be—

	Per Mensem.	Per Annum.	Total.
	Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*
1 Deputy Commissary General for Transport	1,827 14 –	21,934 – –	21,934 8 –
Office estimated at	500 – –	6,000 – –	6,000 – –
			27,934 8 –
Bengal Army: *Rs.*			
1 Assistant Commissary General, 2nd class, Major, Staff 600	1,240 14 –	14,890 8 –	
1 Deputy Assistant Commissary General, 1st class, Major „ 500	1,140 14 –	13,690 8 –	
1 Deputy Assistant Commissary General, 2nd class, Captain „ 400	774 1 6	9,289 2 –	
2 Sub-Assistant Commissary Generals, 1st class, Lieutenants „ 300	1,051 8 –	12 618 – –	
2 Sub-Assistant Commissary Generals, 2nd class, Lieutenants „ 200	851 8 –	10,218 – –	60,706 2 –
Offices estimated at *Rs.* 250 × 7	1,750 – –	21,000 – –	21,000 – –
			81,706 2 –
Punjab Army: *Rs.*			
1 Deputy Assistant Commissary General, 1st class, Major Staff 500	1,140 14 –	13,690 8 –	
1 Deputy Assistant Commissary General, 2nd class, Captain „ 400	774 1 6	9,289 2 –	
1 Sub-Assistant Commissary General, 1st class, Lieutenant „ 300	525 12 –	6,309 – –	29,288 10 –
Offices estimated at *Rs.* 250 × 3	750 – –	9,000 – –	9,000 – –
			38,288 10 –
Bombay: *Rs.*			
1 Assistant Commissary General, 2nd class, Major, Staff 600	1,240 14 –	14,890 8 –	
1 Deputy Assistant Commissary General, 2nd class, Captain „ 400	774 1 6	9,289 2 –	
1 Sub-Assistant Commissary General, 1st class, Lieutenant „ 300	525 12 –	6,309 – –	
1 Sub-Assistant Commissary General, 2nd class, Lieutenant „ 200	425 12 –	5,109 – –	35,597 10 –
Offices estimated at *Rs.* 250 × 4	1,000 – –	12,000 – –	12,000 – –
			47,597 10 –
Madras: *Rs.*			
1 Assistant Commissary General, 2nd class, Major, Staff 600	1,240 14 –	14,890 8 –	
1 Deputy Assistant Commissary General, 1st class, Major „ 500	1,140 14 –	13,690 8 –	
1 Deputy Assistant Commissary General, 2nd class, Captain „ 400	774 1 6	9,289 2 –	
1 Sub-Assistant Commissary General, 1st class, Lieutenant „ 300	525 12 –	6,309 – –	
1 Sub-Assistant Commissary General, 2nd class, Lieutenant „ 200	425 12 –	5,109 – –	49,288 2 –
Offices estimated at *Rs.* 250 × 5	1,250 – –	15,000 – –	15,000 – –
			64,288 2 –
		Grand Total *Rs.*	2,59,815 – –

WARRANT OFFICERS.

	Per Mensem.	Per Annum.	TOTAL.
Punjab and Bengal:	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*
1 Deputy Assistant Commissary - - - - at	300 - -	3,600 - -	
5 Conductors - - - - - - - - - „	160 - -	9,600 - -	
7 Sub-Conductors - - - - - - - - „	125 - -	10,500 - -	
10 Sergeants - - - - - - - - - „	70 - -	8,400 - -	
			32,100 - -
Madras:			
2 Conductors - - - - - - - - - „	160 - -	3,840 - -	
3 Sub-Conductors - - - - - - - - „	125 - -	4,500 - -	
5 Sergeants - - - - - - - - - „	70 - -	4,200 - -	
			12,540 - -
Bombay:			
1 Conductor - - - - - - - - - -	160 - -	1,920 - -	
1 Sub-Conductor - - - - - - - - -	125 - -	1,500 - -	
3 Sergeants - - - - - - - - - -	70 - -	2,520 - -	
			5,940 - -
		TOTAL - - *Rs.*	50,580 - -

Total of officers and warrant officers—3,10,395 rupees.

82. The cost of a coolie corps of 300 men would be—

		Rs.	*a.*	*p.*
6 Sirdars - - - - - - - -	at 14 × 12 =	1,008	-	-
12 Mates - - - - - - - -	„ 10 × 12 =	1,440	-	-
300 Coolies - - - - - - - -	„ 8 × 12 =	28,800	-	-
Compensation at 10 rupees per annum for 318 men =		3,180	-	-
Clothing at *Rs.* 2. 8. per annum each - - -		795	-	-
TOTAL - -	*Rs.*	35,223	-	-

83. The yearly cost of the six boats maintained from Assam Depôt is—

				Rs.	*a.*	*p.*
3 boats of 170 maunds at Dibrugarh - - -				1,872	-	-
1 „ „ 50 „ „ Suddya - - -				588	-	-
1 „ „ 80 „ „ Sessari - - -				588	-	-
1 „ „ 30 „ „ Poba - - - -				588	-	-
6	330	TOTAL - -	*Rs.*	3,636	-	-

84. The

84. The cost of the allowances now sanctioned for transport in regimental charge is 60,189 rupees as follows:—

			Rs. a. p.	Rs. a. p.
A.—Force in Sind:				
1 British Infantry - -	1 Transport Officer, European - -	at	30 – –	360 – –
	8 Non-Commissioned Officers, European	„	15 – –	1,440 – –
2 Native Infantry - -	2 Transport Officers, European - -	„	30 – –	720 – –
	16 Non-Commissioned Officers, Native -	„	2 14 –	552 – –
1 Native Cavalry - -	1 Transport Officer, European - -	„	30 – –	360 – –
	6 Non-Commissioned Officers, Native -	„	2 14 –	207 – –
1 Battery, Field Artillery -	1 Transport Officer, European - -	„	30 – –	360 – –
	1 Non-Commissioned Officer, European	„	15 – –	180 – –
B.—Troops in the Peshawar District:				
2 British Infantry - -	2 Transport Officers, European - -	„	30 – –	720 – –
	16 Non-Commissioned Officers, European	„	15 – –	2,880 – –
3 Native Infantry - -	3 Transport Officers, European - -	„	30 – –	1,080 – –
	24 Non-Commissioned Officers, Native -	„	2 14 –	828 – –
2 Bengal Cavalry - -	2 Transport Officers, European - -	„	30 – –	720 – –
	12 Non-Commissioned Officers, Native -	„	2 14 –	414 – –
2 Companies, Sappers - -	2 Transport Officers, European - -	„	30 – –	720 – –
	2 Non-Commissioned Officers, European	„	15 – –	360 – –
2 Batteries, Field Artillery -	2 Transport Officers, European - -	„	30 – –	720 – –
	2 Non-Commissioned Officers, European	„	15 – –	360 – –
From Sepree Depôt:				
Jhansi:				
3 Companies, British Infantry	1 Transport Officer, European - -	„	30 – –	360 – –
	3 Non-Commissioned Officers, European	„	15 – –	540 – –
1 Native Infantry - -	1 Transport Officer, European - -	„	30 – –	360 – –
	8 Non-Commissioned Officers, Native -	„	2 14 –	276 – –
Morar:				
4 Companies, British Infantry	1 Transport Officer, European - -	„	30 – –	360 – –
	4 Non-Commissioned Officers, European	„	15 – –	720 – –
4 Companies, Native Infantry	1 Transport Officer, European - -	„	30 – –	360 – –
	4 Non-Commissioned Officers, Native -	„	2 14 –	138 – –
½ Field Battery - - -	1 Transport Officer, European - -	„	30 – –	360 – –
	1 Non-Commissioned Officer, European	„	15 – –	180 – –

C.—Portions of the Army in Punjab:		*Rs. a. p.*	*Rs. a. p.*	
2 Mountain Batteries - -	2 Transport Officers, European - - at	30 – –	720 – –	
	2 Non-Commissioned Officers, European „	15 – –	360 – –	
3 Companies, Sappers - -	3 Transport Officers, European - „	30 – –	1,080 – –	
	3 Non-Commissioned Officers, European „	15 – –	540 – –	
3 British Infantry - -	3 Transport Officers, European - - „	30 – –	1,080 – –	
	24 Non-Commissioned Officers, European „	15 – –	4,320 – –	
9 Native Infantry - -	9 Transport Officers, European - - „	30 – –	3,240 – –	
	72 Non-Commissioned Officers, Native „	2 14 –	2,484 – –	
3 Native Cavalry - -	3 Transport Officers, European - - „	30 – –	1,080 – –	
	18 Non-Commissioned Officers, Native „	2 14 –	621 – –	
1 Field Battery Artillery -	1 Transport Officer, European - - „	30 – –	360 – –	
	1 Non-Commissioned Officer, European „	15 – –	180 – –	
D.—Small Force in Rohilcund:				
1 British Infantry - -	1 Transport Officer, European - - „	30 – –	360 – –	
	8 Non-Commissioned Officers, European „	15 – –	1,440 – –	
1 Native Infantry - -	1 Transport Officer, European - - „	30 – –	360 – –	
	8 Non-Commissioned Officers, Native „	2 14 –	276 – –	
2 Guns, Field Artillery -	1 Transport Officer, European - - „	30 – –	360 – –	
	1 Non-Commissioned Officer, European „	15 – –	180 – –	
1 Squadron, Native Cavalry	1 Transport Officer, European - - „	30 – –	360 – –	
	4 Non-Commissioned Officers, Native „	2 14 –	138 – –	
E.—Punjab Frontier Force:				
4 Native Cavalry - -	4 Transport Officers, European - „	30 – –	1,440 – –	
	24 Non-Commissioned Officers, Native „	2 14 –	828 – –	
8 Native Infantry - -	8 Transport Officers, European - „	30 – –	2,880 – –	
	64 Non-Commissioned Officers, Native „	2 14 –	2,208 – –	
2 Native Infantry - -	2 Transport Officers, European - - „	30 – –	720 – –	
	16 Non-Commissioned Officers, Native „	2 14 –	552 – –	
5 Mountain Batteries - -	5 Transport Officers, European - - „	30 – –	1,800 – –	
	5 Non-Commissioned Officers, European „	15 – –	900 – –	
Corps of Guides - -	2 Transport Officers, European - - „	30 – –	720 – –	
	14 Non-Commissioned Officers, Native „	2 14 –	483 – –	
F.—Eastern Frontier:				
3 Native Infantry - -	3 Transport Officers, European - „	30 – –	1,080 – –	
	24 Non-Commissioned Officers, Native „	2 14 –	828 – –	
1 Native Infantry - -	1 Transport Officer, European - - „	30 – –	360 – –	
	8 Non-Commissioned Officers, Native „	2 14 –	276 – –	
1 Mountain Battery - -	1 Transport Officer, European - - „	30 – –	360 – –	
	1 Non-Commissioned Officer, European „	15 – –	180 – –	
G.—Force in Burma:				
2 British Infantry - -	2 Transport Officers, European - - „	30 – –	720 – –	
	16 Non Commissioned Officers, European „	15 – –	2,880 – –	
5 Native Infantry - -	5 Transport Officers, European - - „	30 – –	1,800 – –	
	40 Non-Commissioned Officers, Native „	2 14 –	1,380 – –	
2 Mountain Batteries - -	2 Transport Officers, European - - „	30 – –	720 – –	
	2 Non-Commissioned Officers, European „	15 – –	360 – –	
1 Company, Sappers - -	1 Transport Officer, European - - „	30 – –	360 – –	
	1 Non-Commissioned Officer, European „	15 – –	180 – –	
		TOTAL - - - *Rs.*	60,189 – –	

85. Pensions, as per page 4 of Civil Pension Code, are estimated at 18,000 rupees yearly for a total of 6,000 followers.

SECTION VIII.

TABLES showing the Total Transport and Establishment to be maintained and the Transport available.

TABLE A.

86. Statement showing the total transport to be maintained in each army corps or province.

	Elephants.	Government Camels.	Hired Camels.	Mules.	Pack Bullocks.	Draught Bullocks.	Army Transport Carts, with Bullocks.	Light Carts.	Sirdars.	Mates.	Coolies.	Boats.
Punjab Army:												
Peshawar District	–	–	416	346	–	–	–	87	–	–	–	–
Punjab Frontier Force	–	360	–	1,581	–	–	–	90	–	–	–	–
Portion of Army in Punjab	–	–	830	786	–	–	–	167	–	–	–	–
Depôts in Punjab	58	–	300	500	–	–	100	–	–	–	–	–
TOTAL	58	360	1,546	3,213	–	–	100	344	–	–	–	–
Bengal Army:												
Force in Rohilcund	–	–	161	93	–	–	–	29	–	–	–	–
Force in Eastern Frontier	46	–	–	240	–	–	–	–	18	36	924	–
Depôts in Bengal	273	–	250	750	250	–	300	–	6	12	300	6
TOTAL	319	–	411	1,083	250	–	300	29	24	48	1,224	6
Bombay Army:												
Quetta Force	–	–	–	1,496	–	–	–	–	–	–	–	–
Force in Sind	–	–	222	183	–	–	–	50	–	–	–	–
Depôts in Bombay	60	–	250	500	–	500	250	–	–	–	–	–
TOTAL	60	–	472	2,179	–	500	250	50	–	–	–	–
Madras Army:												
Force in Burma	106	–	–	1,076	–	–	–	–	–	–	–	–
Depôts in Madras	57	–	120	250	750	500	250	50	–	–	–	–
TOTAL	163	–	120	1,326	750	500	250	50	–	–	–	–

TABLE B.

87. Statement showing the Total of Transport and Establishments to be maintained in India.

	Officers.		TRANSPORT.									Veterinary.		Elephant Attendants.			Mule and Pack Bullock Attendants.			Camel Attendants.			Artificers.												Sirdars.	Mates.
																													Gomashtas.							
	Commissioned.	Warrant and Non-Commissioned Officers.	Elephants.	Camels, Government.	Mules.	Pack Bullocks.	Draught Bullocks.	Army Transport Carts.	Light Carts.	Boats.	Coolies.	Salutris.	Shoeing-smiths.	Jemadars.	Mahouts.	Coolies.	Jemadars.	Duffadars.	Drivers.	Jemadars.	Duffadars.	Surwans.	Carpenters.	Blacksmiths.	Hammermen.	Bellowsmen.	Wheel Greasers.	Weighmen.	Peons.	Saddlers.	1st Class.	2nd Class.	3rd Class.		
Head of Department - - -	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Punjab Army:																																		
As per Table A. - - - - -	3	10	58	360	3,213	–	–	100	344	–	–	15	2	6	58	58	75	150	1,667	7	14	132	19	15	15	15	6	14	14	26	3	3	2	–	–
Bengal Army:																																		
As per Table A. - - - - -	7	13	319	–	1,083	250	–	300	29	6	1,224	9	8	32	319	319	44	88	933	–	–	–	9	9	9	9	4	6	5	12	2	1	3	24	48
Bombay Army:																																		
As per Table A. - - - - -	4	5	60	–	2,179	–	500	250	50	–	–	12	2	6	60	60	55	110	1,021	–	–	–	12	12	12	12	4	11	10	18	3	3	1	–	–
Madras Army:																																		
As per Table A. - - - - -	5	10	163	–	1,326	750	500	250	50	–	–	8	2	16	163	163	53	106	1,069	–	–	–	8	8	8	8	4	7	6	10	2	3	–	–	–
Add per-centage spare as per para. 73 - - - - -	–	–	–	36	290	–	–	–	–	–	–	1	–	–	–	–	6	12	97	–	1	12	1	1	1	1	–	1	1	2	–	1	–	–	–
TOTAL - - -	20	38	600	396	8,091	1,000	1,000	900	473	6	1,224	45	13	60	600	600	233	462	4,787	7	15	144	49	45	45	45	18	39	36	68	10	11	6	24	48

N.B.—2,549 hired camels are also maintained (*see* paragraph 63); but these are not entered here, as establishment for them is not maintained. The army transport carts in Bengal will be drawn by siege-train bullocks.

TABLE C.

88. Statement showing the Number of Animals, &c., owned by Government.

	Elephants.	Camels.	Mules.	Draught Bullocks.	Carts.	Coolies.	Boats.	Sirdars.	Mates.
1. With Punjab Force	-	450	750	—	-	-	-	-	-
2. Depôts in Punjab and Hill Stations	-	-	6,002	—	-	-	-	-	-
3. In Quetta Transport	-	121	1,485	711	1,877*	-	-	-	-
4. Government Elephants	600	-	—	—	-	-	-	-	-
5. In Bombay	-	179	521	471	-	-	-	-	-
6. In Madras	-	397	807	1,575	-	-	-	-	-
7. In Naga Transport	-	-	444	-	-	300	6	6	12
TOTAL	600	1,147	10,009	2,757	1,877	300	6	6	12

* Of this number, the General Commanding at Quetta reports only 100 are fit for distribution.

TABLE D.

89. Statement showing the surplus or deficiencies after meeting requirements of the scheme.

	Elephants.	Camels.	Mules.	Pack Bullocks.	Draught Bullocks.	Army Transport Carts.	Light Carts.	Coolies.	Boats.	Sirdars.	Mates.
Available as per Statement C.	600	1,147	10,009	-	2,757	100		300	6	6	12
Requirements of the scheme	600	396	8,091	1,000	1,000	900	473	1,224	6	24	48
Surplus	-	751	1,918	-	1,757	-	-	-	-	-	-
Deficiencies	-	-	-	1,000	-	800	473	924	-	18	36

TABLE E.

90. Statement showing the mobile transport available to send to a seaport or distant point leaving the Frontier fully protected, viz., that portion of the transport allotted to depôts (*see* paragraph 62) which is of a mobile character.

	Mules.	Pack Bullocks.	Army Transport Carts.	Light Carts.	Maunds.
From Punjab Depôts	500	-	100	-	2,200
From Bengal Depôts	750	250	300	-	5,600
From Bombay Depôts	500	-	250	-	4,000
From Madras Depôts	250	750	250	50	5,300
TOTAL	2,000	1,000	900	50	17,100

N.B.—17,100 maunds are sufficient to equip 13,500 men, one-third being given in European privates' tents, or transport of 10,000 men on the above scale, with 12 days' supply of food.

SECTION IX.

AMBULANCE.

91. THE capabilities of this portion of the scheme are as follows:—

(*a.*) Equipment and bearers complete will be maintained for 12,840 men on the frontiers (paragraph 96).

(*b.*) For the different provinces there will be maintained equipment for 33,000 men, and bearers for 16,500 men (paragraph 102).

(*c.*) The number of bearers for this latter strength of 16,500 men is as per paragraph 102, viz., 2 640; and two-thirds of this number, viz., 1,760, is the number available for embarkation with 10,000 men (*see* paragraph 103).

(*d.*) For the country at large there will be equipment for 45,840 men, that is, for 12,840 men guarding the frontiers, and 33,000 men in provincial or army corps areas. Of this latter equipment, two-thirds, or sufficient for 22,000 men, would be available for embarkation; but to fit it for service the *personnel* of bearers must be increased, on the necessity arising, to just double the number.

92. The percentage of sick transport which the State should keep up is laid down in a memorandum made out by the Surgeon General, and is stated to be 5 per cent. for troops in the field. This percentage and the organisation of bearer-columns as recommended in the memorandum are adopted in this paper.

93. The numbers of bearers heretofore employed have been scattered over India, and have been, like other transport, of an unorganised character, and it does not follow that the same number will be required when the service is placed on an organised footing.

The consideration of the amount of sick transport to be maintained should not be based on the means at disposal of Government; but just as army transport should be regulated by the number of troops to be held in readiness to move, so should the strength of sick transport be regulated.

94. It is evident also that supposing sick transport to be maintained for, say, 10,000 troops in each army corps area; that if there is a necessity for concentrating troops in any one area, the sick transport of that area is available, and also at least two-thirds of the sick transport of the other army corps; and that in this way in a very short time sick transport for 30,000 men could be collected at any point.

This mobile character of sick transport should enter largely into the consideration of the amount required for the different army corps, the frontiers, as in the case of army transport, being considered separately.

95. The sick transport, like army transport, must be under the supreme control of the military commanders; but its organisation and administration in every respect should rest entirely with the Army Medical Department.

The Surgeon General proposes to frame rules for the training and working of the bearer columns; all that is necessary in this Paper is to ascertain the numbers required and estimate the cost.

96. The troops required to be held in readiness to move at any moment are the troops guarding the frontiers.

These

These consist of—

*(*a*.) The Punjab Frontier Force, which will be equipped with half transport and be ready to move. The strength of the troops thus held in readiness is equal to half the Punjab Frontier Force, viz.—

	Men.
6 Regiments Native Infantry, or - - - -	4,200
3 ,, Native Cavalry - - - - -	1,350
2½ Mountain Batteries - - - - - -	375
Total - - -	5,925

For this strength 5 per cent. sick transport is required as follows:—

2 per cent. doolies.
1 ,, dandies.
2 ,, camels with kajawahs, *viz.*—

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Camels.	Jemadars.	Duffadars.	Surwans.
10	20	960	120	60	60	1	2	30

Surwans for camels for sick transport are allowed at one to two camels.

This sick transport may conveniently be divided into five bearer columns of about 200 bearers, each with proportion of camels and establishment at the five larger stations held by the Punjab Frontier Force.

(*b*.) One-half of the troops in the Eastern Frontier is—

Two regiments Native Infantry, or - - 1,400 men,

these are to be equipped with 5 per cent. sick transport, viz.—

2 per cent. doolies,
1 ,, dandies,
2 ,, mules or ponies,

as follows:—

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Mules or Ponies.	Jemadars.	Duffadars.	Drivers.
2	4	224	28	14	28	- -	- -	14

Mule drivers for sick transport are allowed at 1 to 2.

This sick transport may be left as one bearer column.

(*c*.) One-half of the troops in Burma is—

	Men.
1 British Infantry, or - - - - - -	900
2½ Native ,, - - - - - - -	1,750
1 Mountain Battery - - - - - -	150
½ Company, Sappers - - - - - -	60
Total - -	2,860

* *N.B.*—The ambulance portion of the scheme was framed previous to the late reduction in the Punjab Force of one Native Infantry regiment and one Native Cavalry regiment; but as the ambulance is calculated to meet the requirements of certain numbers of fighting men, its application is not affected by changes in the number of regiments maintained.

The requirements are—

2 per cent. doolies,
1 „ dandies,
2 „ mules or ponies,

as follows :—

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Mules or Ponies.	Jemadars.	Duffadars.	Drivers.
5	9	464	58	29	58	- -	1	29

or two bearer columns.

(*d*) One-half of the troops in Sind is*—

	Men.
1 British Infantry, or - - - - -	900
1½ Regiments Native Infantry, or - - - -	1,050
1½ Batteries, or - - - - - - - -	255
1 Native Cavalry, or - - - - - - -	450
Total - - -	2.655

whose requirements are—

2 per cent. doolies,
1 „ „ dandies,
2 „ „ kajawahs,

as follows :—

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Camels.	Jemadars.	Duffadars.	Surwans.
4	9	432	54	27	27	- -	1	14

or two bearer columns.

97. The following table shows the total of sick transport required to equip the troops guarding the frontiers, one warrant officer of the Army Medical Department being added to each bearer-column :—

	Number of Bearer-Columns.	Warrant Officers.	Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Camels with Kajawahs.	Mules or Ponies.	Camel Attendants.			Mule Attendants.		
										Jemadars.	Duffadars.	Surwans.	Jemadars.	Duffadars.	Drivers.
(*a*) Punjab Frontier -	5	5	10	20	960	120	60	60	–	1	2	30	–	–	–
(*b*) Eastern Frontier -	1	1	2	4	224	28	14	–	28	–	–	–	–	1	14
(*c*) Burma - - -	2	2	5	9	464	58	29	–	58	–	–	–	–	1	29
(*d*) Sind - - -	2	2	4	9	432	54	27	27	–	–	1	14	–	–	–
Total - - -	10	10	21	42	2,080	260	130	87	86	1	3	44	–	2	43

* The force in Sind has been considered the force guarding the Beluchistan Frontier, rather than the force in Quetta, the latter being a fluctuating number.

98. The

98. The following query now remains for consideration.

How much sick transport should be maintained with each army corps?

The reply to this query is this—at least so much must be maintained as will admit of—

(*a.*) The equipment of the number of fighting men which it is considered necessary to hold in readiness for concentration within each army corps area.

(*b.*) The equipment of the number of fighting men it is considered necessary to be in a position to concentrate at a seaport.

These numbers have been stated in the scheme for army transport, and have received the approval of His Excellency the Commander-in-Chief.
The reply to query (*a*) is therefore—

	Men.
Punjab Army - - - - - - - -	10,000
Bengal „ - - - - - - - -	10,000
Bombay „ - - - - - - - -	8,000
Madras „ - - - - - - - -	5,000

The reply to query (*b*) is, 10,000 men should always be ready for concentration at a seaport.

99. In the memorandum of the Surgeon-General the description of sick transport for military operations other than on the frontier is given as doolies, dandies, and wheeled conveyances, *i. e.*, ambulance carts; and in making provision for the above requirements, the mobile character of all such transport very largely affects the question.

100. The following is the sick transport required for 10,000 men, calculating at 2 per cent. doolies, 1 per cent. dandies, 2 per cent. ambulance carts, carrying four men each:—

Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Ambulance Carts.	Bullocks.	Jemedars.	Duffadars.	Drivers.
16	32	1,600	200	100	50	100	5	10	50

101. It has already been pointed out that two-thirds of the sick transport of each army corps is available for movement by rail to another army corps area or to a seaport.

In the case of concentration of troops within any army corps area, the whole of the sick transport of that area is available, *plus* two-thirds of each of the other three.

In the case of concentration of troops at a seaport, the whole of the sick transport is not available from any single area, but two-thirds of the sick transport of each army corps is all that is available. This, then, is the maximum requirement; and if two-thirds of the sick transport of the four army corps when concentrated is equal to the requirements of 10,000 men, this would cover the strength of sick transport which the State should keep up.

102. The following table shows the amount of sick transport to be kept up in addition to the ambulance of Frontier Forces:—

	Number of Bearer-Columns.	Warrant Officers.	Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Ambulance Carts.	Jemadars.	Duffadars.	Drivers.	Bullocks.
Bengal Army	3	3	7	15	730	90	45	20	2	4	20	40
Add 10 per cent.	–	–	1	1	73	–	–	–	–	–	2	4
Balance of equipment for 10,000 men and 10 per cent.	–	–	–	–	–	130	65	35	–	–	–	–
TOTAL, Bengal	3	3	8	16	803	220	110	55	2	4	22	44
Punjab Army	3	3	7	15	730	90	45	20	2	4	20	40
Add 10 per cent.	–	–	1	1	73	–	–	–	–	–	2	4
Balance of equipment for 10,000 men and 10 per cent.	–	–	–	–	–	130	65	35	–	–	–	–
TOTAL, Punjab	3	3	8	16	803	220	110	55	2	4	22	44
Bombay Army	3	3	6	12	580	72	36	16	2	3	16	32
Add 10 per cent.	–	–	1	1	58	–	–	–	–	–	2	4
Balance of equipment for 8,000 men and 10 per cent.	–	–	–	–	–	104	52	28	–	–	–	–
TOTAL, Bombay	3	3	7	13	638	176	88	44	2	3	18	36
Madras Army	2	2	4	7	360	44	22	11	1	2	11	22
Add 10 per cent.	–	–	–	1	36	–	–	–	–	–	1	2
Balance of equipment for 5,000 men and 10 per cent.	–	–	–	–	–	66	33	17	–	–	–	–
TOTAL, Madras	2	2	4	8	396	110	55	28	1	2	12	24
GRAND TOTAL	11	11	27	53	2,640	726	363	182	7	13	74	148

The supervising element has been made slightly stronger, in proportion to the numbers, than laid down by the Surgeon General; this is necessary, as in case of the concentration of two-thirds of the sick transport of any army corps, the remaining one-third must be the nucleus which would be at once recruited and raised to full strength, and the staff of this nucleus must be complete. Ten per cent. spare all round has been added, and Government should have within each army corps area the full equipment, with 10 per cent. spare for the full strength of the troops likely to be concentrated within it, so that if concentration became necessary, the bearer-columns would be sent complete, and find equipment in doolies, dandies, and carts ready for them.

These have deen added in the Table above.

103. The following Table shows the totals of the two-thirds sick transport of each army corps when concentrated. Equipment is not entered, as provision has been made for it within each army corps area:—

	Number of Bearer-Columns.	Warrant Officers.	Sirdars.	Mates.	Bearers.	Bullocks.	Jemadars.	Duffadars.	Drivers
Bengal - - -	2	2	3	11	535	30	1	3	15
Punjab - - -	2	2	3	11	535	30	1	3	15
Bombay - - -	2	2	5	9	425	24	1	2	12
Madras - - -	1	1	3	5	265	16	–	1	8
TOTAL - - -	7	7	14	36	1,760	100	3	9	50

This is sick transport, with 10 per cent. spare, of bearers for 10,000 men.

104. The total ambulance it is proposed to maintain in India is given in the following Table:—

	Number of Bearer-Columns.	Warrant Officers.	Sirdars.	Mates.	Bearers.	Doolies.	Dandies.	Camels with Kajawahs.	Mules or Ponies.	Camel Attendants.			Mule Attendants.			Ambulance Carts.	Bullocks, Draught.	Bullock Attendants.		
										Jemadars.	Duffadars.	Survans.	Jemadars.	Duffadars.	Drivers.			Jemadars.	Duffadars.	Drivers.
Frontier Forces - -	10	10	21	42	2,080	260	130	87	86	1	3	44	–	2	33	–	–	–	–	–
Army Corps - - -	11	11	27	53	2,640	726	363	–	–	–	–	–	–	–	–	182	148	7	13	74
TOTAL - - -	21	21	48	95	4,720	986	493	87	86	1	3	44	–	2	33	182	148	7	13	74

105. The total cost is yearly *Rs.* 3,60,021. 12.

The following are the calculations :—

	Rs.	Rs. a. p.	Rs. a. p.
21 Warrant officers, estimated at an average of 100 rupees each	= 2,100 × 12		= 25,200 – –
48 Sirdars at	9 × 12 =	5,184 – –	
95 Mates „	7 × 12 =	7,980 – –	
4,720 Bearers „	5 × 12 =	2,83,200 – –	
			2,96,364 – –
Good-conduct pay at Surgeon General's estimate of 1 rupee per man yearly			4,863 – –
Clothing at ditto			4,863 – –
Corps badges ditto			4,863 – –
Maintenance of 87 camels at *Rs.* 164. 5. each	=	14,295 3 –	
„ 86 mules at *Rs.* 152. 1. „	=	13,077 6 –	
„ 67 carts at *Rs.* 386. 1. „	=	25,866 3 –	
			53,238 12 –
Compensation for dearness of provisions for 4,983 men at 10 rupees each per annum			49,830 – –
			4,39,221 12 –
From this sum the following may be deducted on account of punkah-pulling, &c., of the men employed with the army corps, 2,640 men, at 5 rupees per mensem for six months			79,200 –
		TOTAL	3,60,021 12 –

The cost of ambulance heretofore maintained, according to the report of the Special Army Commission, has been yearly *Rs.* 4,81,212. The present proposal, therefore, shows an annual saving of *Rs.* 1,21,190. 4.

SECTION X.

THE INITIAL COST.

106. The initial cost would be the money to be paid for the building of 800 Army Transport carts and 473 light carts, and 182 ambulance carts, and cost of clothing as follows :—

	Rs.
800 Army Transport carts at 250 rupees	= 2,00,000
473 light carts at 200 rupees	= 94,600
182 ambulance carts at 250 rupees	= 45,500
The price of followers' clothing—	
7,902 followers' clothing, estimated at *Rs.* 7. 8., to last three years	= 59,265
TOTAL	3,99,365

This sum is more than met by reductions in elephants, bullocks, and ponies effected in the past year, and still going on.

R. C. Low, Colonel,
Deputy Commissary General, Transport.

EQUIPMENT TABLES at COLD WEATHER SERVICE SCALES, late KABUL SCALES.

ESTIMATE of Carriage at the Service Scale for a Company of Sappers and Miners.

Strength: Officers, 2; European Non-Commissioned Officers, 2; Corporals, 4; Native Officers, 2; Ranks, 114.

Total officers	2	8
European non commissioned officers	6	
Native officers	2	116
Ranks	114	

Horses 4, and followers 61, as per detail on next page.

	Mules.	Quantity.
Camp Equipage.	*No.*	*Lbs.*
Commanding officer	–	150
Other officers 1	–	80
Native officers and hospital assistant 2 + 1 = 3, at 40 lbs.	–	120
British non-commissioned officer, one Lascar pâl weighing 4 maunds, or	2	–
Native non-commissioned officer and men 114, at 44 to 1 tent, Sepoy, of two pâls, or 3 such pâls weighing 6¾ maunds each, or 20 maunds 10 seers, or	10	–
Hospital, Native, 1 Lascar pâl for 12 sick, at 8 per cent. on strength of troops and followers—		
Troops 124 / Followers 61 / Total 185 — or 15 sick, or such pâls at 4 maunds each = 8 maunds, or	4	–
Followers 61–50 per tent, Sepoy, of two pâls weighing 6¾ maunds, or ¼ such pâls, or 8 maunds 17½, or	4½	–
Quarter-guard, 1 Lascar pâl weighing 4 maunds, or	2	–
Mess tent, 1 Lascar pâl weighing 4 maunds, or	2	–
Baggage.		
Commanding officer	–	120
Other officer 1	–	80
Native officers and hospital assistants 3, at 40 lbs. each	–	120
British non-commissioned officers, &c., 6, at 45 lbs. each	–	270
Native non-commissioned officers and men and artificers 124 men, at at 30 lbs.	–	3,720
Cooking Utensils.		
Officers 2, at 10 lbs. each	–	20
British non-commissioned officer	–	20
Native non-commissioned officer and men	–	190
Quartermaster's stores	–	400
Hospital furniture and equipment	2	–
Followers 51, exclusive of 10 artificers calculated with troops, at 10 lbs. each	–	510
Stable gear per authorised charger 4, at 15 lbs. each	–	60
Arms of sick, half camel, or	1	–
Mess stores for 2 officers, at 40 lbs. each	–	80
	27½	5,940 or 74¼ mds. or
	37¼	
TOTAL	65	–
Add carriage for 1st reserve small arm ammunition for 114 men at 30 rounds each = 3,420 at 1 mule to 2 boxes of 560 rounds each	3	–
TOTAL	68	–

NOTE.—(1) The above ammunition is in addition to that to be carried by soldiers, at 20 rounds per man.

ESTIMATE of Carriage at the Service Scale for a Company of Sappers and Miners—*continued.*

Detail of Followers.	*No.*
Personal servant 1 to each officer	2
2 servants for each authorised charger	8
1 extra servant for every 3 officers	1
Servants for Native officer, 1 to 2 officers	1
Cooks and dhobies	3
2 puckalies and 2 bhisties	4
2 sweepers and 1 bildar	3
Transport attendants not calculated	—
Doolie and dandy bearers	23
Hospital establishment as per regulation for field service	4
Bazar, 2 per cent. on strength	2
Artificers and workmen absolutely necessary for executing repairs, say	10
TOTAL	61
Doolie and dandy bearers, 5 per cent. for troop and 3 per cent. for followers.	
Troops 122.	
Doolies at 1 per cent., 1 doolie at 6 bearers each	6
Dandies at 2 per cent., 3 dandies at 4 „	12
Mate	1
TOTAL	19
Followers 57; regimental establishment and doolie-bearers for troops.	
Dandies 1 per cent., 1 dandy, or	4
TOTAL	23

ESTIMATE of Carriage at the Service Scale for a Battery of Horse Artillery.

Strength: Officers, 6; Staff Sergeants, &c., 20; Gunners, 157; Drivers, 54; Collar-makers, &c., 7; Horses, 178.

Camp Equipage.	Mules. *No.*	Quantity. *lbs.*
Commanding officer	—	150
Other officers 5, at 80 lbs. each	—	400
Medical subordinate, 1 lascar pâl 4 maunds	2	—
Hospital assistant 1	—	40
Non-commissioned officers and men per tent, sepoy, of 2 pâls, 103 men, or such tents weighing 6¾ maunds each, 33¾ maunds, or	17	—
Followers 50 per tent, sepoy, of 2 pâls, followers 374, or 7½ such tents, weighing 6¾ maunds each, or 50 maunds, or	25	—
Quarter-guard, 1 lascar pâl, 4 maunds	2	—
Mess tent, 1 lascar pâl weighing 4 maunds for every 8 officers and under	2	—
Hospital, 1 lascar pâl for 8 sick, at 10 per cent. on strength of troops and followers— Troops 103; Followers 374; Total 477 — or 47 sick, or 6 pâls weighing 4 maunds each = 24 maunds, or	12	—
Baggage.		
Commanding officers	—	120
Other officers 5, at 80 lbs. each	—	400
Medical subordinate 1	—	60
Hospital assistant 1	—	40
Non-commissioned officers and men, at 45 lbs. each, 103 men + 45 =	—	4,635
Followers 364, exclusive of artificers, &c., at 10 lbs.	—	3,640
Artificers 10, at 30 lbs. each	—	300
Carried forward	60	9,785

ESTIMATE of Carriage at the Service Scale for a Battery of Horse Artillery—*continued.*

	Mules.	Quantity.
	No.	*Lbs.*
Brought forward	60	9,785
Cooking Utensils.		
All officers, 6 at 10 lbs. each	- -	60
Non-commissioned officers and men	- -	360
Mess store, each officer 40 lbs. × 6 officers	- -	240
Quartermaster's stores	- -	400
Medical stores, 2 camels, or	4	—
Camp hospital furniture, 1 camel, or	2	—
Veterinary stores	1	—
Stable gear, officer, per horse 15 lbs. each, say 18 horses at 15 lbs. each	-	270
Bullock gear, 3 camels, or	6	—
Stable gear, per horse of battery, 178 horses, at 6 lbs. each	- -	1,068
Blankets of horses, 3 camels, or	6	—
	79	12,183, or
	—	152 mds., or
	76	—
TOTAL	155	—

Detail of Followers.	Number.
Personal servants of officers, 1 to each 6 officers	6
2 servants for each authorised charger, say 18	36
1 extra servant for every 3 officers	2
6 cooks and dhobies	6
1 grass-cutter, per horse	178
Syces, 10 per cent. for troop horses, 178	18
And 1 for each spare horse, say	5
3 puckalies and 3 bhisties	6
3 sweepers and 2 bildars	5
Transport attendants not calculated	—
Doolie bearers or sick carriage	41*
7 per cent. of troops, and 3 per cent. of followers (inclusive of doolies, dandies, and kajawahs), hospital establishment as per regulation	4
Bazar, 2 per cent. on strength, including native establishment of battery	3
All drivers	54
All artificers and workmen absolutely necessary for executing repairs	10
TOTAL	374

ESTIMATE of Carriage at the Service Scale for a Field Battery.

Strength—Officers, 5; Staff Serjeants, &c., 20; Gunners, 76; Drivers, 54; Trumpeters, Collarmakers, &c., 7; Horses, 110; Followers, 272.

Camp Equipage.	Mules.	Quantity.
	No.	*Lbs.*
Commanding officer	- -	150
Other officers, at 80 lbs. each (4 officers)	- -	320
Carried forward	- -	470

* Troops, 103, at doolies 2 per cent., or 2 doolies at 6 bearers each - 12
1 dandy (at 1 per cent.) at *Rs.* 4 each - 12
Mate - 1
25
Followers, 350 (regimental establishment and doolie bearers of troops) —
Dandies at 1 per cent., 4 dandies at 4 bearers each - 16
TOTAL - 41

ESTIMATE of Carriage at the Service Scale for a Field Battery—*continued.*

	Mules.	Quantity.
	No.	*Lbs.*
Brought forward - - -	- -	470
Camp Equipage—*continued.*		
Medical subordinates, staff sergeants' tent, or lascar pâls, weighing 4 maunds, or - - - - - - - - - - - -	2	—
Hospital assistant, 1 - - - - - - - - - - - -	- -	40
Non-commissioned officers and men (103 men), 22 per tent, sepoy, of 2 pâls, or 5 such tents, weighing $6\frac{3}{4}$ maunds each, or $33\frac{3}{4}$ maunds, or	17	—
Followers, 50 per tent, sepoy, of 2 pâls (272 men), or $5\frac{1}{4}$ such tents, weighing $6\frac{3}{4}$ maunds, or $37\frac{1}{8}$ maunds, or - - - - - -	19	—
Quarter-guard, 1 lascar pâl, 4 maunds - - - - - - -	2	—
Mess tent, 1 lascar pâl for 5 officers - - - - - - - -	2	—
Hospital, 1 lascar pâl for 8 sick, at 10 per cent. on strength of troops and followers—		
Strength of troops, 103 - Strength of followers, 272 - { 375 sick, or 37, divide by 8, or 5 such pâls at 4 maunds each, or 20 maunds, or - - - }	10	—
Baggage.		
Commanding officer - - - - - - - - - - - -	- -	120
Other officers, at 80 lbs. each - - - - - - - - - -	- -	320
Medical subordinates (1 apothecary and 1 hospital assistant) 60 + 40	- -	100
Non-commissioned officers and men, 103, at 45 lbs. each - - -	- -	4,635
Followers, 264 × 10 lbs. each - - - - - - - - - -	- -	2,640
Artificers, 8 × 30 lbs. each - - - - - - - - - -	- -	240
Cooking Utensils.		
All officers, 5 × 10 lbs. each, 50 lbs. - Non commissioned officers and men, 360 lbs. } - - - - - -	- -	410
Mess stores, each officer 40 lbs. × 5 - - - - - - - -	- -	200
Quartermaster's stores for 3 months - - - - - - - -	- -	400
Medical stores, 2 camels, or - - - - - - - - -	4	—
Camp hospital furniture, 1 camel, or - - - - - - - -	2	—
Veterinary stores - - - - - - - - - - -	1	—
Stable gear, officers, per horse 15 lbs. × 10 - - - - - - -	- -	150
Bullock gear, 3 camels, or - - - - - - - - - -	6	—
Stable gear, per horse of battery, 110 × 6 lbs. - - - - - -	- -	660
3rd blanket of horses, 2 camels, or - - - - - - - -	4	—
	69	10,385, or $129\frac{3}{4}$, or
	65	—
TOTAL - - -	134	—

Detail of Followers.	Number.
Personal servant, 1 to each officer - - - - - - - - - -	5
Two servants each authorised charger, 5 officers, say 10 horses - - - -	20
Extra servant, 1 to every 3 officers - - - - - - - - - -	2
Cooks and dhobies - - - - - - - - - - - -	6
One grass-cutter, per horse - - - - - - - - - - -	110
Syces, 10 per cent. per troop horses - - - - - - - - - -	11
Puckalies or bhisties - - - - - - - - - - - -	6
Sweepers and bildars - - - - - - - - - - - -	5
Transport attendants not calculated - - - - - - - - - -	—
Hospital establishment as per regiment for field service - - - - - -	4
Bazar, 2 per cent. on strength, including native establishment of battery, 162	4
All drivers - - - - - - - - - - - - - -	54
All artificers and workmen necessary for executing repairs, say - - - -	8
Carried forward - - -	235

ESTIMATE of Carriage at the Service Scale for a Field Battery—*continued.*

	Number.
Brought forward - - -	235
Detail of Followers—*continued.*	
Doolie-bearers, 7 per cent. of troops and 3 per cent. of followers - - - -	—
Troops, 103—doolies, 2 per cent., dandies, 3 per cent.; 2 doolies and 3 dandies,	12
6 bearers with the former and 4 with the latter, each - - - - - -	12
Mate - - - - - - - - - - - - - - -	1
Sirdar - - - - - - - - - - - - - -	—
Followers (viz., regimental establishment and doolie-bearers of troops) - - -	—
206 dandies, 1 per cent., or 3 dandies, or - - - - - - - - -	12
TOTAL - - -	272

ESTIMATE of Carriage at the Service Scale for a Mountain Battery (British).

Strength:		Drivers' Establishment:			
Officers - - -	5				
Staff serjeants - -	22	Havildars - - -	10	Followers, 369, including drivers' establishment.	
Gunners - - -	70	Drivers - - -	138		
Farriers, &c. - -	2	Yaboos - - -	5		
	99	Mules - - -	178		

	Mules.	Quantity.
Camp Equipage.	*No.*	*Lbs.*
Commanding officer - - - - - - - - - - -	- -	150
Other officers, 80 lbs. each, 4 officers - - - - - - -	- -	320
Medical subordinates, 1 lascar pâl, 4 maunds - - - - - -	2	—
Hospital assistant - - - - - - - - - -	- -	40
Non-commissioned officers and men, 10 pâls at 4 maunds each = 40 maunds, or - - - - - - - - - -	20	—
Hospital, 2 pâls at 4 maunds each = 8 maunds, or - - - -	4	—
Followers, 50 per tent, sepoy, of 2 pâls, 369 men, or 7 such tents at $6\frac{3}{4}$ maunds each, $47\frac{1}{4}$ maunds, or - - - - - - - -	24	—
Quarter-guard, 2 pâls at 4 maunds each = 8 maunds, or - - -	4	—
Mess tent for every 8 officers and under, 1 lascar pâl, or 36 lbs. per officer, the former 4 maunds, or - - - - - - - -	2	—
Baggage.		
Commanding officer - - - - - - - - - -	- -	120
Other officers, 4, at 80 lbs. each - - - - - - - -	- -	320
Medical subordinate, 1 - - - - - - - - -	- -	60
Hospital assistant - - - - - - - - - -	- -	80
Non-commissioned officers and men, 94, at 45 lbs. each - - -	- -	4,230
Artificers and drivers (native), 170 men, at 30 lbs. each - - -	- -	5,100
Followers, 199 men, exclusive of drivers' establishment and artificers, at 10 lbs. each - - - - - - - - - - -	- -	1,990
Cooking Utensils.		
All officers, each 10 lbs., for 5 officers - - - - - - -	- -	50
British non commissioned officers and men - - - - - - -	- -	240
Native drivers and farriers - - - - - - - - -	- -	240
Quartermaster's stores - - - - - - - - -	- -	400
Medical stores - - - - - - - - - -	3	—
Camp hospital furniture, 1 camel, or - - - - - - -	2	—
Veterinary stores - - - - - - - - - -	1	—
Stable gear, officers, per horse, 15 horses, at 15 lbs. each - - -	- -	225
Carried forward - - -	62	13,525

ESTIMATE of Carriage at the Service Scale for a Mountain Battery (British)—*continued.*

	Mules.	Quantity.
	No.	*Lbs.*
Brought forward - - -	62	13,525
Cooking Utensils—*continued.*		
Stable gear for horses of battery, at 6 lbs. each - - - - - -	—	—
Five yaboos and 178 mules, calculated at the above scale in the absence of a separate scale for them, 183 animals at 6 lbs. each - - -	- -	1,098
Mess stores, officers, each 40 lbs. - - - - - - - -	- -	200
	62	14,823, or 185 mds.
	93	11½ seers, or —
TOTAL - - -	155	—

Detail of Followers.	Number.
Officers:	
Personal servant, 1 to each 5 officers - - - - - - - - -	5
Two servants for each authorised charger for 5 officers, say 15 chargers - -	30
One extra servant for every 3 officers - - - - - - - -	2
British Non-Commissioned Officers and Men:	
Four cooks and dhobies - - - - - - - - - - - -	4
For drivers and farriers, cooks - - - - - - - - - -	3
Four syces for battery, horses (5 yaboos) - - - - - - - -	4
One gorawala and 1 pony per 2 horses (for 5 yaboos) - - - - -	3
For 178 battery mules, calculated at the above scale, though no scale has been laid down for them - - - - - - - - - - - -	89
Two puckalies and 2 bhisties - - - - - - - - - - -	4
Sweepers - - - - - - - - - - - - -	2
Transport attendants not calculated - - - - - - - - -	—
Doolie bearers, a sick carriage - - - - - - - - - -	41*
Hospital establishment as per regulation for field service, say - - - -	4
Bazar, 2 per cent. in strength, including native establishment of battery, say -	8
All drivers - - - - - - - - - - - - -	148
All artificers and workmen absolutely necessary - - - - - -	22
TOTAL - - -	369

ESTIMATE of Carriage at the Service Scale for a Mountain Battery (Native).

Strength—4 Mountain Guns:

Officers, British, 3; Native officers - -	2	Drivers' Establishment:			
Non-commissioned officers	10	Havildars - -	2		
Trumpeters - - -	2	Naiks - -	4	Mulcteers -	8
Gunners - - - -	60	Drivers - -	85	Farrier -	1
	74		91		9

Camp Equipage.	Mules.	Quantity.
	No.	*Lbs.*
Commanding officer - - - - - - - - - - - -	- -	150
Other officers, 2, at 80 lbs. each - - - - - - - - -	- -	160
Native officers and hospital assistant, 3, at 40 lbs. - - - -	- -	120
Carried forward - - -	- -	430

* Troops—say 100 doolies at 2 per cent., 2 doolies - - - - - - - - 12
Dandies at 3 per cent., dandy or bearers - - - - - - - - - 12
Mates - - - - - - - - - - - - - - - 1
25
Followers, 849 (regimental establishment and doolie-bearers of troops) - - —
Dandies at 1 per cent., say 4 dandies or bearers - - - - - - - 16
41

ESTIMATE of Carriage at the Service Scale for a Mountain Battery (Native)—*continued.*

	Mules.	Quantity.
	No.	*Lbs.*
Brought forward - - -	- -	430
Camp Equipage—*continued.*		
Native non-commissioned officers and men - - - - - - -	12	—
Hospital - - - - - - - - - - - - - -	3	—
Followers, 237—50 per tent, sepoy, of 2 pâls, or 4½ such tents at 6¾ maunds, each 30 maunds 15 seers, or - - - - - - - -	15	—
Quarter-guard - - - - - - - - - - - -	2	—
Mess tent for every 8 officers or under, 1 lascar pâl weighing 4 maunds, or - - - - - - - - - - - - - -	2	—
Baggage.		
Commanding officer - - - - - - - - - - - -	- -	120
Other officers, 2, at 80 lbs. each - - - - - - - - - -	- -	160
Native officers and hospital assistant, 3, at 40 each - - - - -	- -	120
Native non-commissioned officers and men, including all drivers and artificers, 185 men, at 30 lbs. each.	- -	5,550
Cooking Utensils.		
All officers, at 10 lbs. each - - - - - - - - - - -	- -	30
Non-commissioned officers and men - - - - - - - - -	- -	320
Followers, 121, exclusive of drivers' establishment, artificers, 1 farrier and 8 permanent muleteers of the battery calculated with the troops, at 10 lbs. each.	- -	1,210
Quartermaster's stores - - - - - - - - - - - -	- -	400
Camp hospital furniture and hospital equipment - - - - - -	2	—
Veterinary stores - - - - - - - - - - - - -	1	—
Stable gear, 15 lbs. per horse of officers, say 9 horses - - - - -	- -	135
Stable gear of battery horses, at 6 lbs. each (4 yaboos) - - - - -	- -	24
Note. Stable gear for 111 mules also calculated at the above scale, in absence of an explanatory note showing how the same is to be carried.	- -	666
Mess stores, each officer 40 lbs., 3 officers - - - - - - -	- -	120
	37	9,285, or 116 mds. 2 seers, or
	58	—
TOTAL - - -	95	—

Detail of Followers.	Number.
Personal servants, 1 to each officer - - - - - - - - - - -	3
Two servants for each authorised charger, for 3 officers, say 9 chargers - - -	18
One extra servant for every three officers - - - - - - - - -	1
One servant to every two native officers - - - - - - - - -	1
Cooks for non-commissioned officer and men - - - - - - - -	2
Syces for battery horses - - - - - - - - - - - -	5
One gorawala and 1 pony per two horses for 111 mules - - - - -	56
Bhistie and puckalies - - - - - - - - - - - - -	2
Sweepers - - - - - - - - - - - - - - -	2
Transport attendants not calculated - - - - - - - - - -	—
Carried forward - - -	90

ESTIMATE of Carriage at the Service Scale for a Mountain Battery (Native)—*continued.*

	Number.
Brought forward - - -	90
Detail of Followers—*continued.*	
Doolie-bearers - - - - - - - - - - - - - -	22*
Hospital establishment - - - - - - - - - - - -	4
Bazar, 2 per cent. on strength, including native establishment of battery, say -	4
All drivers, including 8 muleteers and one farrier - - - - - - -	100
All artificers and workmen, say - - - - - - - - - - -	11
TOTAL - - -	231

ESTIMATE of Carriage at the Service Scale for Regiments of Cavalry (British).

Strength—6 troops: Officers, 25; Non-Commissioned Officers, 47; Corporals, 24; Privates, 384; Chargers, 70; Troop horses, 436 - Total, 506.

Camp Equipage.	Mules.	Quantity.
	No.	*Lbs.*
Commanding officer - - - - - - - - - - -	- -	150
Other officers, 24, at 80 lbs. each - - - - - - - - -	- -	1,920
Medical subordinates, 1 lascar pâl, 4 maunds - - - - -	2	—
Hospital assistant - - - - - - - - - - - -	- -	40
Non-commissioned officers and men, 22 per tent, sepoy, of 2 pâls, 455 men at this scale, 21 such tents, at $6\frac{3}{4}$ maunds each = $141\frac{3}{4}$ maunds, or	71	—
Followers, 50 per tent, sepoys, of 2 pâls, 720 followers at this scale, $14\frac{1}{2}$ such tents, weighing $6\frac{3}{4}$ maunds = 97 maunds 35 seers, say 98 maunds, or - - - - - - - - - - - -	49	—
Office, regimental - - - - - - - - - - - -	- -	150
Quarter and rear guards, 1 tent, sepoy, of 2 pâls, and 1 lascar pâl, $6\frac{3}{4} + 4 = 10\frac{3}{4}$, or - - - - - - - - - -	$5\frac{1}{2}$	—
Mess tent for every 8 officers and under, 1 lascar pâl, or 36 lbs. per officer - - - - - - - - - - - - - -	- -	900
Hospital, 1 lascar pâl for 8 sick, at 10 per cent. on strength of troops and followers—		
Troops - - 455 / Followers - - 720 = 1,175 or sick, 118, or lascar pâl $14\frac{3}{4}$, weighing 4 maunds each = 59 maunds, or	$29\frac{1}{2}$	—
Workshops, 1 lascar pâl, weighing 4 maunds, or - - - -	2	—
Baggage.		
Commanding officer - - - - - - - - - - - -	- -	120
Other officers, 24, at 80 lbs. each - - - - - - - - -	- -	1,920
Medical subordinates, 2, at 60 lbs each - - - - - - -	- -	120
Hospital assistant, 1, at 40 lbs. - - - - - - - - -	- -	40
Non-commissioned officers and men, 455 × 45 lbs. = - - -	- -	20,475
Followers, 720 men, at 10 lbs. each - - - - - - - -	- -	7,200
Cooking Utensils.		
All officers, at 10 lbs., 25 officers - - - - - - - -	- -	250
Non-commissioned officers and men, per troop 240 lbs., for 6 troops -	- -	1,440
Quartermaster's stores - - - - - - - - - - -	- -	1,200
Medical stores, 5 camels, or - - - - - - - - -	10	—
Camp hospital furniture, 1 camel, or - - - - - - - -	2	—
Veterinary stores - - - - - - - - - - - -	3	—
Stable gear, officers, and per horse troops, including spare saddles at 20 lbs. each, 506 horses, or - - - - - - - - - -	- -	10,120
Office, regimental - - - - - - - - - - - -	- -	80
Carried forward - - -	174	46,125

* Troops, 74—doolies at 1 per cent., 1 dooly or bearers - - - - - - 6
Dandies at 2 per cent., say 2 dandies at 4 bearers each, or - - - - 8
14
Followers, 253 (regimental establishment and doolie-bearers of troops) - - - —
Dandies at 1 per cent., 2 dandies at 4 bearers each, or - - - - - 8
22

ESTIMATE of Carriage at the Service Scale for Regiments of Cavalry (British)—*continued.*

	Mules.	Quantity.
	No.	*Lbs.*
Brought forward	174	46,125
Cooking Utensils—*continued.*		
Mess stores, officers, each 40 lbs., for 25 officers	—	1,000
Signalling implements	—	60
Armourers' tools and stores	1	—
1 light forge, with country bellows, &c., &c.	2	—
Saddlers and saddle-tree makers' tools	2	—
Arms of sick, per troops, 1½ camel, or 3 camels for 6 troops, or	6	—
Paymaster's office, including records and tents, 2 maunds, or ½ camel, or	1	—
Camp entrenching tools	—	552
	186	47,737, or 596 maunds 25 seers, or
	299	—
TOTAL	485	—

Detail of Followers.	Number.
Officers' personal servant, 1 to each	25
2 servants for each authorised charger, 70	140
1 extra servant for every 3 officers	8
4 cooks and dhobies per troop, for 6 troops	24
1 grass cutter per horse, or 1 gorawala, and 1 pony for two horses taken at the latter scale for 506 horses=253 gorawalas and 253 ponies.	253
1 native farrier per troop, for 6 troops	6
Syces, 15 per cent. on number of troop horses, 436 horses, or	65
1 mochi per troop	6
2 puckalies and bhisties per troop	24
9 sweepers and 3 bildars per regiment	12
Transport attendants not calculated	—
Doolie-bearers or sick carriage, 7 per cent. of troops, and 3 per cent. of followers (doolie, dandies, and kajawahs).	144*
Hospital establishment, as per regulation for field service	4
Bazar, 2 per cent. on strength of regiment	9
TOTAL	720

Note.—(1) The above ammunition is in addition to that to be carried by soldiers at 20 maunds per man.
(2) In reserve ammunition carriage at the scale laid down, viz., 100 rounds per man, would be (45,000 rounds at 3,600 rounds per camel) 12¾ camels or 25 mules; but the foot in the above quoted letter has ordered that carriage is not to be permanently maintained for the reserve ammunition.

ESTIMATE of Carriage at the Service Scale for a Regiment of Cavalry (Native).

Strength—Troops, 6; Officers, 9; Native Officers, 13; Native Non-Commissioned Officers, 60, including 6 Trumpeters; Sowars, 477; Horses, say 550; Followers, 469.

Camp Equipage.	Mules.	Quantity.
	No.	*Lbs.*
Commanding officer	—	150
Other officers, at 80 lbs. each (8)	—	640
Carried forward	—	790

	Bearers.
* Troops—455.	
Doolies at 2 per cent., 9 at 6 men each=	54
Dandies at 3 per cent., 14 at 4 „ „	56
Sirdar 1, and mates	6
	116
Followers, 692 (regimental establishment and doolie bearers for troops)	—
Dandies at 1 per cent., or 7 dandies at 4 bearers each, or	23
	144

ESTIMATE of Carriage at the Service Scale for a Regiment of Cavalry (Native)—*continued.*

	Mules.	Quantity.
	No.	*Lbs.*
Brought forward - - -	- -	790
Camp Equipage—*continued.*		
Native officers and hospital assistants, 40 lbs. each, 13 native officers and 2 hospital assistants not calculated, to be arranged regimentally.	—	—
Soldiers 400 (non-commissioned officers and men), at 12 lbs. each, not calculated, to be arranged regimentally.	—	—
Followers, 403, at 10 lbs. each, to be arranged regimentally - -	—	—
Hospital, 1 lascar pâl for 12 sick, at 8 per cent. on strength of troops and followers—		
Troops - - - - - - 550 } or 80 sick.		
Followers - - - - - 469 }		
Total - - - 1,019		
or 7 lascar pâls, at 4 maunds each, or 28 maunds, or - - -	14	—
Office - - - - - - - - - - - - -	- -	150
Guards, 2 lascar pâls, 4 maunds each = 8 maunds, or - - -	4	—
Mess tent, at 36 lbs. per officer (9) - - - - - - - -	- -	324
Baggage.		
Commanding officer - - - - - - - - - - - -	- -	120
Other officers, 8, at 80 lbs. each - - - - - - - -	- -	640
Native officers and hospital assistant, at 40 lbs. each, not calculated, to be arranged regimentally.	—	—
Non-commissioned officers and men and artificers, to be arranged regimentally, at 30 lbs. each.	—	—
Cooking Utensils.		
Officers at 10 lbs. each = - - - - - - - - - - -	- -	90
Non-commissioned officers and men, per troop 160 lbs. - - -	- -	960
Quartermaster's stores (to be obtained from Commissariat Department on payment).	- -	800
Medical stores, including hospital furniture and equipment, 3 camels, or	6	—
Veterinary stores - - - - - - - - - - - -	3	—
Followers, 469, at 10 lbs. each - - - - - - - - -	- -	4,690
Stable gear, officers, and per horse troop, say 550 horses, at 15 lbs. each.	- -	8,250
Office - - - - - - - - - - - - - -	- -	80
Mess stores, officers, each 40 lbs. - - - - - - - -	- -	360
Armourer's tools and stores, forge and saddler's shop, to be obtained from Commissariat Department on payment.	10	—
Arms of sick, when armed with snider carbine, at ½ camel per squadron, or 3 squadrons, to be obtained from Commissariat Department on payment.	3	—
Camp entrenching tools - - - - - - - - - - -	- -	162
	40	17,416, or 217¾ mds., cr
	109	—
TOTAL - - -	149 or	298 mds.

Detail of Followers.	Number.
Officers' personal servants, 1 per each - - - - - - - - - -	9
Servants, 2 for each authorised charger - - - - - - - - -	38
Extra servants, 1 for every 3 officers - - - - - - - - -	3
1 servant to every 2 native officers - - - - - - - - -	7
1 syce and 1 pony for each native officer - - - - - - - -	13
1 gorawala and 1 pony per 2 horses, 550 horses - - - - - - -	275
2 cooks per troop, if necessary - - - - - - - - - -	12
1 sweeper per troop, 2 bildars per regiment - - - - - - - -	8
Transport attendants not calculated - - - - - - - - -	—
Carried forward - - -	365

ESTIMATE of Carriage at the Service Scale for a Regiment of Cavalry (Native)—*continued.*

	Number.
Brought forward - - -	365
Detail of Followers—*continued.*	
*Doolies and dandy bearers - - - - - - - - - -	82
Hospital establishment as per regulation for field service, say - - - -	4
Bazar, 2 per cent. on strength of regiment - - - - - - - -	8
Artificers and workmen absolutely necessary for making repairs - - - -	10
TOTAL - - -	469

ESTIMATE of Carriage at the Service Scale for a Regiment of Infantry (British).

Strength—Officers, 30; Non-Commissioned officers, 65; Corporals and Privates, 820; Horses, 8; Followers 401.

	Mules.	Quantity.
Camp Equipage.	*No.*	*Lbs.*
Commanding officer - - - - - - - - - - -	- -	150
Other officers, 29, at 80 lbs. each - - - - - - - -	- -	2,320
Medical subordinates, 1 lascar pâl, weighing 4 maunds - - -	2	—
Non-commissioned officers and men, 22 to one tent, sepoy, of 2 pâls, or 40 such pâls weighing $6\frac{3}{4}$ maunds each.	135	—
Hospital, 1 lascar pâl for 8 sick at ten per cent. on strength of troops and followers—{Troops - 885; Followers - 401; Total - 1,236} at 10 per cent.,		—
130 sick, at 8 sick to a lascar pâl $16\frac{1}{4}$ at 4 maunds, or - - -	33	—
Followers, 50 per tent, sepoy, of 2 pâls, 8 such tents at $6\frac{3}{4}$ maunds each	27	—
Office - - - - - - - - - - - - - - -	- -	150
Quarter and rear guards, 1 tent, sepoy of 2 pâls, $6\frac{3}{4}$ maunds, 1 lascar pâl, 4 maunds - - - - - - - - - - -	$5\frac{1}{2}$	—
Mess tent, at 36 lbs. per officer - - - - - - - - - -	- -	1,080
Baggage.		
Commanding officer - - - - - - - - - - -	- -	120
Other officers, 29, at 8 lbs. each - - - - - - - - -	- -	2,320
Medical subordinates (apothecary and hospital apprentice), at 60 lbs. each.	- -	120
Non-commissioned officers and men, 885, at 45 lbs. each - - -	- -	39,825
Followers 401, at 10 lbs. each - - - - - - - - -	- -	4,010
Stable gear, 8 chargers, at 15 lbs. each - - - - - - -	- -	120
Cooking utensils, 30 officers, at 10 lbs. each - - - - -	- -	300
Non-commissioned officers and men, 240 lbs. per company for 8 companies.	- -	1,920
Quartermaster's stores - - - - - - - - - -	- -	1,200
Medical stores, 6 camels, or - - - - - - - -	12	—
Camp hospital furniture, 1 camel, or - - - - - - - -	2	—
Office - - - - - - - - - - - - - -	- -	80
Entrenching tools† - - - - - - - - - - -	16	—
Carried forward - - -	$232\frac{1}{2}$	53,715

* Five per cent. for Native troops and 3 per cent. for Followers:—

Troops - - - - - - - - - - -	450	
Doolies at 1 per cent. - - - - - - - -	$4\frac{1}{2}$ at 6 bearers	= 27
Dandies at 2 per cent. - - - - - - - -	9 at 4 bearers	= 36
Sirdar - - - - - - - - - - - - - - -		= 1
Mates - - - - - - - - - - - - - - -		= 2
		66
Followers, 387 (regimental establishment and doolie bearers for troops).		
Dandies at 1 per cent., or 4 dandies or bearers - - - - - - - -		= 16
		82

† Felling axes, 2 per company - - - - - - - - - - - - = 16
Pick-axes, 15 per cent. - - - - - - - - - - - - - = 135
Shovels, 15 per cent. - - - - - - - - - - - - - = 135
Bill-hooks, 30 per cent. - - - - - - - - - - - - = 270
Shovels and pick-axes, 270, at one camel for 44, or 6 camels or 12 mules
Bill-hooks and felling axes, scale not clear, say $\frac{1}{16}$
TOTAL Carriage - - - = 586

ESTIMATE of Carriage at the Service Scale for a Regiment of Infantry (British)—*continued.*

	Mules.	Quantity.
	No.	*Lbs.*
Brought forward - - -	232½	53,715
Baggage—*continued.*		
Armourers' tools and stores - - - - - - - - -	1	—
Signalling implements - - - - - - - - -	- -	60
Arms of sick, ½ camel per company, or 4 camels, or - - - -	8	—
Mess stores, 90 officers, 40 lbs. each - - - - - - - -	- -	1,200
Paymaster's office, including records and tent, 2 maunds - - -	1	—
	242½	54,975 or
	343½	687mds. or
		343½ mules.
	586	
Add 1st reserve of 30 rounds per man = 885 × 30 = 26,550 rounds at 1 mule to 2 boxes of 600 rounds = - - - - - - - -	23	
TOTAL - - -	609	

Detail of Followers.	Number.
Officers' personal servants, per each - - - - - - - - - -	30
Servants at 2 per each authorised charger - - - - - - - - -	16
Extra servants, 1 per every 3 officers - - - - - - - - -	10
4 cooks and dhobies per company - - - - - - - - -	32
2 puckalies and 2 bhisties per company - - - - - - - - -	32
12 sweepers and 4 bildars per regiment - - - - - - - - -	16
Transport attendants not calculated - - - - - - - - - -	—
Doolies and dandy bearers* - - - - - - - - - -	243
Hospital establishment as per regulation for field service - - - - - - -	4
Bazar, 2 per cent. on strength of regiment - - - - - - - -	18

ESTIMATE of Carriage at the Service Sale for a Regiment of Infantry (Native).

Strength—8 companies; officers, 9: native officers, 16; non-commissioned officers, 80; drummers, 16; sepoys, 720—Total 816. Natives of all rank, 832; horses, 10; followers, 229—*vide* Detail.

Camp Equipage.	Mules.	Quantity.
	No.	*Lbs.*
Commanding officer - - - - - - - - - - -	- -	150
Other officers, at 80 lbs. each - - - - - - - - -	- -	640
Native officers and hospital assistant (16 + 2 = 18), at 40 lbs. - -	- -	720
Native non-commissioned officers and men, 44 men to one tent, sepoy, of two pâls, or 18½ such pâls weighing 6¾ maunds each.	62½	—
Hospital, 1 lascar pâl for 12 sick, at 8 per cent. on strength of troops and followers—		
Troops - - - - 832		
Followers - - - - 229		
1,061 at 8 per cent.=84 sick, at 12 sick to a lascar pâl, or 7 such pâls at 4 maunds each = 28 maunds - - - - - - - -	14	—
Followers, 50 per tent, sepoy, of two pâls, 5 such tents at 6¾ maunds each = 34 maunds	17	—
Office - - - - - - - - - - - -	- -	150
Guards, 2 lascar pâls, at 4 maunds each - - - - - - -	4	—
Mess tent, at 36 lbs. per officer - - - - - - - - -	- -	324
Carried forward - - -	97½	1,984

7 per cent. for troops and 3 per cent. for followers:—

Troops 900 round Nos

Doolies at 2 per cent. - - - - - - - - - -	18 at 6 bearers =	108
Dandies at 3 per cent. - - - - - - - - - -	27 at 4 bearers =	108
Sirdars - - - - - - - - - - - - -		2
Mates - - - - - - - - - - - - -		9
		227
Followers, 385 Dandies - { Regimental establishment and Doolie-bearers for troops } at 1 per cent. or 4 dandies or 16 bearers.		16
		243

ESTIMATE of Carriage at the Service Scale for a Regiment of Infantry (Native)—*continued.*

	Mules.	Quantity.
	No.	*Lbs.*
Brought forward	97½	1,984
Baggage.		
Commanding officer		120
Other officers, at 80 lbs. each = 640 lbs.		640
Native officers and hospital assistant (16 + 2 = 18), at 40 lbs. each		720
Non-commissioned officers and men, at 30 lbs. each = 24,480		24,480
Cooking Utensils.		
For officers, at 10 lbs. each =		90
For non-commissioned officers and men per company, at 160 lbs. per company.		1,280
Followers, at 10 lbs. each		2,290
Stable gear per authorised charger, at 15 lbs. each		150
Quartermaster's stores		800
Medical stores, 4 camels	8	—
Office		80
*Entrenching tools	13	—
Armourers' tools and stores	1	—
Arms of sick per company, ½ camel, or 4 camels	8	—
Mess stores, 9 officers, 40 lbs. each =		360
	127½	32,994 or 412½ mds. or
TOTAL	206¼	
	334	
Add 1st reserves ammunition, 30 rounds per man = 30 × 816 = 24,480 at 1 mule to 2 boxes of 500 rounds. each =	22	
TOTAL	356	—

Detail of Followers.	Number.
Officers' personal servants, 1 per each	9
Servants at 2 per each authorised charger	20
Extra servants, 1 for every 3 officers	3
Servants for Native officers, 1 to every 2 officers	8
Cooks, 2 per company if necessary	16
1 puckalie and 1 bhistie per company	16
1 sweeper per company and 2 bildars per regiment	10
Transport attendants not calculated	—
†Doolie and dandy bearers	127
Hospital establishment as per regulations for field service, say	4
Bazar, 2 per cent. on strength of regiment	16
TOTAL	229

* Felling axes, 2 per company		16
Pickaxes, 15 per cent.		105
Shovels, 15 per cent.		105
Bill-hooks, 30 per cent.		210
Shovels and pickaxes 210, at 1 camel for 44, or camels, 5, or mules		10
Bill-hooks and felling axes, scale not clear, say		3
		13
† 5 per cent. for troops, and 3 per cent. for followers :—		
Troops	832	—
Doolies at 1 per cent.	8 at 6 bearers	48
Dandies at 2 per cent.	17 at 4 bearers	68
Sirdar		1
Mates		2
		119
Followers 206 (regimental establishment and doolie-bearers for troops).		
Dandies at 1 per cent., or 2 dandies or 8 bearers		8
		127

— No. 8. —

MILITARY DESPATCH from the Secretary of State to the Government of India, No. 335, dated 19th October 1882.

My Lord Marquis,

Paragraph 1. I HAVE received and considered in Council the proposals of your Lordship's Government as contained in Military Letter, No. 150, of 30th June 1882, for the establishment of a system of Army Transport for India.

2. Your Lordship in Council asks for my general approval of the proposed measure, and for my specific sanction to the establishment of Officers and Warrant and Non-commissioned Officers detailed in paragraphs 18 and 19 of your letter under reply.

3. Your Government claim that the system you desire to introduce will not involve greater expenditure than that already incurred on moveable column and station carriage, while it will serve more efficiently the main purpose for which that carriage is kept up.

4. I fully recognise the great importance of the difficult question of providing a reasonably efficient Army Transport, at no additional charge to the revenues, and I am glad therefore to accord my general approval of a measure which appears to me to give a fair promise of a practical solution of the problem; and also my specific sanction to the establishment of Officers, Warrant Officers, and Non-commissioned Officers your Government propose for carrying out the scheme.

5. I observe that the extension of this measure to the Armies of Madras and Bombay is left to the decision of those Governments, subject to the condition that the present charges are not exceeded, and I shall be glad to learn the result of their consideration of the question.

6. I observe also that, though the estimates put forward by Colonel Low have been submitted to careful scrutiny and frequent revision, they have not yet been finally tested in the Accounts Department. Your Government is doubtless so fully aware of the strong tendency to increased cost which is inherent in all establishments of this nature, that I need hardly impress on your Lordship the absolute necessity for the exercise of the closest supervision over the expenditure of this new Department, together with the most rigid scrutiny of proposals from any quarter for any increase to establishment or allowances.

7. I have to request that you will forward to me, as soon as practicable, a full report by the Military Accounts Branch, giving the complete financial comparison between the new system and that which prevailed before the Afghan War, with a detailed return of the cattle maintained under each system.

8. I desire to express my appreciation of the care and intelligence with which the scheme has been worked out by Colonel Low, and of the very high credit which is due to Sir Michael Kennedy and his assistants, not only for their labours during active operations, but also for the practical form in which the results of the experience gained under circumstances of exceptional difficulty have been embodied.

I have, &c.
(signed) *Hartington.*

— No. 9. —.

EXTRACT Military Despatch from the Secretary of State to the Government of India, No. 203, dated 14th June 1883.

I REQUEST that the preparation of the Return called for in paragraph 7 of the Marquis of Hartington's Despatch, No. 335, of 19th October 1882, showing a financial comparison between the new and old transport system, &c., may be expedited as far as possible.

— No. 10. —

MILITARY LETTER from the Government of India, No. 180, to the Secretary of State for India; dated 24th September 1883.

My Lord,

WITH reference to the Marquis of Hartington's Military Despatch, No. 335, of 19th October 1882, and paragraph 1 of your Lordship's Despatch, No. 203, dated the 14th June 1883, requesting to be furnished with a financial comparison between the new transport system and that which prevailed before the Afghan war, with a detailed return of the cattle maintained under each system, we have the honour to forward herewith the statements* called for.

* (A.)—Former and present establishment of transport and annual cost, Bengal Presidency.
(B.)—Former and present establishment of transport and annual cost, Madras Presidency.
(C.)—Former and present establishment of transport and annual cost, Bombay Presidency.
(D.)—Abstract of the total strength and cost of transport in India under the former and present systems.
(E.)—Total maundage for each presidency.

2. These statements, however, require some explanation for purposes of useful comparison.

3. It is first necessary to explain how the estimate of the cost of the transport in India, heretofore kept up under the head of "Moveable Column and Station Carriage," was arrived at.

4. In paragraph 3 of our Despatch, No. 150 of 1882, we observed that the cost of this transport amounted to about 35,00,000 rupees a year, and we expressed the opinion that the reformed transport service should not involve extra expenditure. We remarked that a great part of the old carriage was little used at places where it was kept up; that it was not available for other parts of the country; and that, if the same amount of money was laid out in a proper way, it should suffice to provide an efficient transport service for the future.

5. The estimate of cost in the past was arrived at in the following manner, the figures being taken from the Report of the Army Commission :—

	Rs.
Bengal Army—Moveable column and station carriage - - -	23,06,175
Madras Army - - - -	7,15,052
Bombay Army - - - -	5,41,609
Punjab Frontier Force † - -	1,24,050
TOTAL - - - *Rs.*	36,86,886

† *See* paragraph 264 of Sir Michael Kennedy's transport scheme for explanation of the increase under this head.

6. From this total of 36,86,886 rupees, the following amount was deducted for the cost of sick carriage and for artillery and siege train bullocks, as shown in paragraph 267 of Sir Michael Kennedy's transport scheme :—

	Rs.
Cost of sick carriage - - - - - - -	4,81,212
Cost of bullocks for the second line of waggons and for siege trains - - - - - - - -	4,41,145
TOTAL - - - *Rs.*	9,22,357

And the following sums were added, which were not taken into consideration in the above estimate of the total annual cost (36,86,886 rupees) of the carriage formerly kept up in the three presidencies :—

	Rs.
Cost of supervising establishments attached to Government cattle - - - - - - - -	53,442
Compensation to cattle attendants for dearness of provisions - - - - - - - -	72,272
Cost of cattle gear - - - - - - - -	1,03,955
TOTAL - - - *Rs.*	2,30,669

The amount then stood as follows:

36,86,886 — 9,22,357 rupees + 2,30,669 = 29,95,198.

7. This amount, 29,95,198 rupees, exclusive of sick carriage and the cost of siege train and artillery bullocks, was taken as the approximate cost of the old transport system. Adding the cost of the sick carriage thereto (4,81,212 rupees), the transport service and ambulance combined was estimated to cost the State 34,76,410 rupees, or in round numbers 35,00,000 rupees per annum. These calculations, however, did not include the cost of replacement of casualties, which is included in the present statements.

8. The statement of cost and numbers as given by the Army Commission, and amounting, as above stated, to 35 lakhs, included certain cattle kept up for commissariat departmental purposes, as well as a portion of the mules kept up for supplying water to the troops in the hills, that is, those mules which were Government property. We have thought it advisable to exclude from the present calculations of cost all such extraneous items, and to confine the statements, and the comparison, to the actual army transport, properly so called, kept up under the old and the new systems respectively.

The cost has been calculated on the same principle on both sides, and includes charges for compensation for dearness of provisions, renewal of gear, and annual replacement of casualties; all expenses, in short, except pensions.

9. It is further necessary to explain that the two accounts, of past and present expenditure on transport, are not really comparable, because they do not refer to the same things. Under the old system a certain (approximately) fixed expenditure was incurred in maintaining carriage (mostly hired) at various stations throughout the country. This carriage was not generally available except in the immediate locality where it was engaged, and therefore the transport animals engaged at places to which this fixed quota of transport, styled "Moveable Column and Station Carriage," could not be detached, caused an addition to the fixed annual charge. Such was the case, for instance, with regard to the carriage in Biluchistan, and that hired for carriage of supplies to the troops on the Assam frontier, which is now included in the general establishment of the Transport Department. What was the cost of the transport maintained in Biluchistan it is impossible to say, as for some time before the introduction of the new system it was merged in the transport employed beyond the frontier. The transport in Assam has been subject to fluctuation of late years owing to the course of operations in the Naga Hills; it certainly did not cost less at any time since 1879 than it is costing now.

10. It should also be mentioned that, whether with or without a Transport Department, the cost of army transport must necessarily vary from year to year, even from month to month, according to the extent to which the movement of troops takes place. Under the old system, the "Moveable Column Carriage" had to be largely supplemented by hired carriage during the reliefs, and the Government transport now maintained will also have to be supplemented in the same way, but to a smaller extent. Any comparison, however, between the *total expenditure* on army transport in different years would be quite inconclusive, unless the circumstances under which it was incurred are also taken into account; the magnitude of the transport operations during the years immediately preceding the introduction of the new system obviously prevents any comparison between that time and the present.

11. For these reasons we have caused the statements which accompany to be limited to the cost of the *fixed outlay* only of the past and present systems, and

and the comparison between the two must be subject to the qualifications above stated.

12. It will be seen from the statement* that whereas the annual cost of the fixed establishment on the old scale was just 24 lakhs, that of the present establishment is about 26¼ lakhs, showing an increase of about 2½ lakhs. The cost of the transport in Biluchistan and Assam, which is included in the latter, but is excluded from the former, and which amounts to about 3½ lakhs, at once more than accounts for the difference.

* (D.)—Abstract of the total strength and cost of transport in India under the former and the present systems.

13. The cost of incidental charges, as supplying water in the hills, cattle for siege trains, &c., will certainly not be more under the new system than the old. It will indeed be less, as transport mules will now be substituted to a certain extent for hired ones at the hill stations, and a portion of the siege train bullocks being brought under the Transport Department will be more fully utilised. The ambulance expenditure will be strictly limited by the cost of the old system. We have no hesitation, therefore, in saying that the new system is on the whole less costly than the old, while it is undoubtedly much more efficient. Apart from the increased facilities it gives for the service of the army in peace time, in the transport of troops in relief, movement of invalids, hire for private and public purposes, for camps of exercise, and for the carriage of stores, the transport now maintained is immediately available for service beyond the frontier, or for an expedition beyond sea. The rapidity with which the transport animals for the Egyptian expedition were collected and brought down to Bombay, under the able and vigorous management of Colonel Low, was only possible because an Army Transport Department had already been organised. The means afforded by the new department of training officers and troops in the care and management of transport animals should be of inestimable value to the Army and the State in any future operations. It would be difficult to exaggerate the loss which occurred in the Afghan war from the want of a regularly organised Transport Department at the outset, and the means of previous training.

14. We are satisfied then that our original estimate of 35 lakhs for the new department, inclusive of ambulance, will not be exceeded. We may add that the recent substitution of mule for coolie transport in the Naga Hills, has resulted in a saving of 54,000 rupees per annum since the original estimate was framed, and many other savings have been effected in the first estimates of the cost of carts, gear, and equipments.

15. We propose to address your Lordship in a separate Despatch regarding the ambulance for India, the details for which are now undergoing final revision in the office of the Surgeon General to Her Majesty's Forces.

We have, &c.
(signed) *Ripon.*
D. M. Stewart.
T. F. Wilson.
C. P. Ilbert.
S. C. Bayley.
T. C. Hope.

Enclosure in No. 10.

(A.)—Bengal Presidency.

Former Establishment.	Elephants.	Government Camels.	Hired Camels.	Mules.	Hired Pack Bullocks.	Remarks.
Moveable column establishments	(a) 625	- -	4,465	1,000	1,047	(a) Exclusive of 18 for 2 Heavy batteries.
Transport kept up at other stations where there were no moveable columns.	209	- -	2,621	–	–	
Punjab Frontier Force	- -	495	- -	644	–	
For camps of Governor General, Commander-in-Chief, Lieutenant Governor, Kheddas, &c.	148	–	–	–	–	
Total	(a) 982	495	7,086	1,644	1,047	

		Annual Cost.
	Rs. a. p.	*R.*
Cost of 982 elephants, at	600 – – each	5,89,200
„ 495 Government camels, at	123 6 5 „	61,084
„ 7,086 hired camels, at	80 – – „	5,66,880
„ 1,644 mules, at	112 12 – „	1,85,361
„ 1,047 hired pack-bullocks, at	24 – – „	25,128
Quartermaster's Establishment.		
Cost of 244 lascars, at	60 – – each	14,640
„ 192 bhisties, at	60 – – „	11,520
„ 102 bildars, at	48 – – „	4,896
„ Compensation for dearness of provisions for 538 men, at 10 rupees per man		5,380
„ Boat establishment and allowances for Assam regiments		3,636
		14,67,725
Add—Average nett cost of Kheddas on former scale		94,000
Grand Total Annual Cost	*Rs.*	15,61,725

Enclosure in No. 10.

- - - - - - - (A.)—Bengal Presidency.

Present Establishment.	Elephants.	Government Camels.	Hired Camels.	Mules.	Light Carts.	Pack Bullocks.	Army Transport Carts.	Sirdars.	Mates.	Coolies.	Boats.	Remarks.
(Including subsequent Modifications.)												
Transport in regimental charge "Peshawar District," as per paragraph 50 of Transport Scheme.	- -	-	416	418	87	-	-	-	-	-	-	
Transport in regimental charge "Portion of the Army in the Punjab," as per paragraph 51 of Transport Scheme.	- -	-	826	749	167	-	-	-	-	-	-	
Transport in regimental charge "Small Force in Rohilkand," as per paragraph 51 of Transport Scheme.	- -	-	161	93	29	-	-	-	-	-	-	
Transport in regimental charge "Punjab Frontier Force," as per paragraph 53 of Transport Scheme.	- -	360	80	1,581	26	-	-	-	-	-	-	
Transport in regimental charge "Eastern Frontier Force," as per paragraph 53 of Transport Scheme.	46	-	-	251	-	-	-	11	22	568	-	
Total Regimental Transport - - -	46	360	1,483	3,092	309	-	-	11	22	568	-	
Depôt Transport, as per paragraph 60 of Transport Scheme.	(a) 291	-	550	1,275	25	250	400	-	-	-	6	(a) Exclusive of 36 for two Heavy batteries, and four kept for State purposes.
Total Depôt Transport - - -	291	-	550	1,275	25	250	400	-	-	-	6	
Grand Total - - -	(a) 337	360	2,033	4,367	334	250	400	11	22	568	6	

	Annual Cost.
Regimental Transport.	
Cost of 46 elephants, at - - - - - - - - - - - - - - Rs. 600 – – each	Rs. 27,600
,, 396 Government camels (including 36 at 10 per cent. on 360), at - - Rs. 145 5 9 ,,	57,582
,, 1,483 hired camels, at - - - - - - - - - - - - Rs. 80 – – ,,	1,18,640
,, 3,246 mules (including 154 at 5 per cent. on 3,092), less 309 included in cost of carts = 2,937 mules, at - - - - - - - - - - Rs. 120 11 – ,,	3,54,459
,, 309 light carts, at - - - - - - - - - - - - Rs. 208 15 4 ,,	64,568
,, 11 sirdars, at - - - - - - - - - - - - - Rs. 168 – – ,,	1,848
,, 22 mates, at - - - - - - - - - - - - - Rs. 120 – – ,,	2,640
,, 568 coolies, at - - - - - - - - - - - - - Rs. 96 – – ,,	54,528
,, of regimental allowances of officers and non-commissioned officers, as per paragraphs 59 and 84 of Transport Scheme.	47,610
,, of free rations for transport followers, Eastern Frontier - - - - - - - -	39,760
Extra annual cost of two duffadars and 15 drivers attached to each company of Sappers in excess of usual transport establishment.	7,677
Total Annual Cost, Regimental Transport - - -	7,76,892
Depôt Transport.	
Cost of 291 elephants, at - - - - - - - - - - - - - Rs. 600 – – each	1,74,600
,, 550 hired camels, at - - - - - - - - - - - - Rs. 80 – – ,,	44,000
,, 1,339 mules (including 64 at 5 per cent. on 1,275), less 25 included in cost of carts = 1,314 mules, at - - - - - - - - - Rs. 120 11 – ,,	1,58,584
,, 25 light carts, at - - - - - - - - - - - - Rs. 208 15 4 ,,	5,224
,, 250 pack bullocks, at - - - - - - - - - - - Rs. 99 9 8 ,,	24,901
,, 400 army transport carts, with siege train bullocks, at - - - - Rs. 131 – 2 ,,	52,404
,, 6 boats establishment as per paragraph 83, Transport Scheme - - - - - -	3,636
,, Officers, warrant and non-commissioned officers and men, as per paragraph 81 of the Transport Scheme - - - - - - - - - - - - - -	1,80,029
,, buildings, as per paragraph 71 of Transport Scheme - - - - - - - - -	4,000
,, equipment establishment, as per paragraph 68 of Transport Scheme - - - - -	4,800
Total Annual Cost Depôt Transport - - -	6,52,178
Add,—Average cost of Kheddas under the new system, the Kheddas being now self-supporting by sale of surplus animals, owing to the small number required annually for replacement of the reduced complement.	Nil..
Grand Total Annual Cost - - - Rs.	14,29,070

(B.)—MADRAS PRESIDENCY.

Former Establishment.	Elephants.	Government Camels.	Government Mules.	Hired Pack Bullocks.	Government Pack Bullocks.	REMARKS.
Moveable Column Establishment - - -	(a) 52	636	400	397	–	(a) Exclusive of nine elephants for the heavy battery.
Transport kept up at other stations where there were no moveable columns.	60	79	100	271	–	
Transport kept up in Burma - - - - -	106	–	–	–	341	
TOTAL - - -	(a) 218	715	500	668	341	

	Annual Cost.
	Rs.
Cost of 218 elephants, at 1,000 rupees each - - - - - - - - - - - - -	2,18,000
,, 715 camels, at *Rs.* 188. 3. each - - - - - - - - - - - - -	1,34,554
,, 500 mules, at *Rs.* 129. 12. each - - - - - - - - - - - - -	64,875
,, 668 hired pack bullocks, at 45 rupees each - - - - - - - - - - -	30,060
,, 341 Government pack bullocks, at *Rs.* 152. 0. 1. each - - - - - -	51,834
TOTAL Annual Cost - - - *Rs.*	4,99,323

(B.)—Madras Presidency.

Present Establishment.	Elephants.	Government Mules.	Government Camels.	Government Pack Bullocks.	Army Transport Carts.	Light Carts.	Remarks.
Transport in regimental charge "British Burma," as per paragraph 57, Transport Scheme, with modifications subsequently made.	106	924	–	–	–	–	
Total Regimental Transport - -	106	924	–	–	–	–	
Depôt transport at Secunderabad, Bangalore, and Madras, as per paragraph 60, Transport Scheme, with subsequent modifications.	(a) 39	436	120	450	200	40	(a) Exclusive of 18 for heavy battery.
Transport in Burma (Rangoon) - -	–	–	–	300	50	10	
Total Depôt Transport - - -	39	436	120	750	250	50	
Grand Total - - -	(a) 145	1,360	120	750	250	50	

	Annual Cost.
Regimental Transport.	*Rs.*
Cost of 106 elephants, at 570 rupees each - - - - - - - - - - - - -	60,420
„ 924 mules at 151 rupees each - - - - - - - - - - - - -	1,39,524
„ Regimental allowances of officers and non-commissioned officers, as per paragraphs 59 and 84, Transport Scheme.	8,400
„ Veterinary establishment, &c., including miscellaneous charges - - - - -	11,523
Total Annual Cost, Regimental Transport - - -	2,19,867
Depôt Transport.	
Cost of 39 elephants, at 1,000 rupees each - - - - - - - - - - - -	39,000
„ 436 mules, at *Rs.* 123. 0. 1. each - - - - - - - - - - - -	53,630
„ 120 camels, at *Rs.* 171. 4. 6. each - - - - - - - - - - - -	20,554
„ 450 pack bullocks for depôts in India, at *Rs.* 99. 9. 3. each - - - - - -	44,810
„ 300 pack bullocks for Rangoon depôt, at *Rs.* 133. 3. 11. each - - - - - -	39,974
„ 200 army transport carts for depôts in India, at *Rs.* 310. 13. 9. each - - - -	62,172
„ 50 army transport carts for Rangoon depôt, at *Rs.* 304. 0. 11. each (artificers' establishment included elsewhere).	15,203
„ 40 light carts for depôts in India, at, *Rs.* 243. 3. 7. each - - - - - - -	9,729
„ 10 light carts for Rangoon depôt, at 325 rupees each - - - - - - -	3,250
„ Officers, warrant and non-commissioned officers and men, as per paragraph 81, Transport Scheme.	76,828
„ buildings, as per paragraph 71, Transport Scheme - - - - - - - -	1,500
„ equipment establishment, as per paragraph 68 of Transport Scheme - - - -	2,200
Total Annual Cost, Depôt Transport - - -	3,68,850
Add,—Further sum allotted, but not yet distributed - - - - - - - - -	36,152
	6,24,869
Deduct,—Reduction in Veterinary and Artificers' establishment subsequently ordered - - -	7,659
Grand Total Annual Cost - - - *Rs.*	6,17,210

(C.)—Bombay Presidency.

Former Establishment.	Elephants.	Government Mules.	Government Camels.	Hired Camels.	Remarks.
Moveable Column Establishment - - -	(a) 69	1,137	185	546	(a) Exclusive of nine for heavy battery.
Total - - -	(a) 69	1,137	185	546	

	Annual Cost.
	Rs.
Cost of 69 elephants, at *Rs.* 1,042. 2. 11. each - - - - - - - - - - -	71,911
„ 1,137 mules, at *Rs.* 165. 11. 8. each - - - - - - - - - - - -	1,87,424
„ 185 Government camels, at *Rs.* 192. 5 5. each - - - - - - - - - -	35,583
„ 546 hired camels, at 80 rupees each - - - - - - - - - - - -	43,680
Total Annual Cost - - - *Rs.*	3,39,608

(C.)—Bombay Presidency.

Present Establishment.	Elephants.	Hired Camels.	Mules.	Light Carts.	Army Transport Carts.	Remarks.
Transport in regimental charge "Sind District, as per paragraph 49, Transport Scheme.	–	222	183	50	–	
Total Regimental Transport - - -	–	222	183	50	–	
Depôt Transport at Jacobabad, Mhow, and Poona, as per paragraph 60, Transport Scheme.	(*a*) 42	250	500	–	(*b*) 180	
Total Depôt Transport - - -	42	250	500	–	180	(*a*) Exclusive of 18 for heavy battery. (*b*) Exclusive of 70 since reduced.
Transport at Quetta and Thull Chotiali -	–	–	(*c*) 1,716	–	–	(*c*) Quetta - - 1,496 Thull Chotiali - 220
Grand Total - - -	(*a*) 42	472	2,399	50	(*b*) 180	Total - - - 1,716

	Annual Cost.
	Rs.
Regimental Transport.	
Cost of 222 hired camels, at 80 rupees each - - - - - - - - - - - -	17,760
„ 183 mules, less 50 included in the cost of carts, 133 mules, at *Rs.* 205. 14. 8. each - -	27,377
„ 50 light carts, at 284 rupees each - - - - - - - - - - - -	14,200
„ regimental allowances of officers and non-commissioned officers, as per paragraphs 59 and 84, Transport Scheme.	4,179
Total Annual Cost, Regimental Transport - - -	63,516
Depôt Transport.	
Cost of 42 elephants, at *Rs.* 1,042. 2. 11. each - - - - - - - - - - -	43,772
„ 250 hired camels, at 80 rupees each - - - - - - - - - - - -	20,000
„ 500 mules, at *Rs.* 174. 14. 8. each - - - - - - - - - - - -	87,458
„ 180 army transport carts, at *Rs.* 440. 13. each - - - - - - - - -	79,346
„ officers, warrant and non-commissioned officers and men, as per paragraph 81, Transport Scheme.	53,538
„ buildings, as per paragraph 71, Transport Scheme - - - - - - - - -	1,560
„ equipment establishment, as per paragraph 68, Transport Scheme - - - - -	2,400
Total Annual Cost, Depôt Transport - - -	2,88,014
Quetta Transport.	
Cost of 1,716 mules for Quetta and Thull Chotiali transport, at *Rs.* 152. 1. (average Indian rate), as per paragraph 75, Transport Scheme.	2,60,939
Total Annual Cost, Quetta Transport - - -	2,60,939
Grand Total Annual Cost - - - *Rs.*	6,12,469

(D.)—ABSTRACT of the Total Strength and Cost of Transport in India under the former and the present System.

	Former Established Strength of Carriage and Annual Cost.									Present Transport Establishment and Annual Cost.									Difference in Cost compared with the Former Establishment.		REMARKS.
	Elephants.	Camels.		Mules.		Pack Bullocks.		Quartermaster's Establishment.	Annual Cost.	Elephants.	Camels.		Government Mules.	Government Pack Bullocks.	Army Transport Carts.	Light Carts.	Coolies.	Annual Cost.	Increase.	Decrease.	
		Government.	Hired.	Government.	Hired.	Government.	Hired.				Government.	Hired.									
									Rs.									*Rs.*	*Rs.*	*Rs.*	
BENGAL - - - -	982	495	7,086	1,644	-	-	1,047	538	15,61,725	337	360	2,033	4,367	250	400	334	601*	14,29,070	- -	1,32,655	* Including 11 sirdars, 22 mates, and 568
MADRAS - - - -	218	715	-	500	-	341	668	-	4,99,323	145	120	-	1,360	750	250	50	-	6,17,210	1,17,887	—	
BOMBAY - - - -	69	185	546	1,137	-	-	-	-	3,39,608	42	-	472	2,399	-	180	50	-	6,12,469	2,72,861	—	
TOTAL - - -	1,269	1,395	7,632	3,281	-	341	1,715	538	24,00,656	524	480	2,505	8,126	1,000	830	434	601	26,58,749	3,90,748	1,32,655	
																		Net Increase - - -		2,58,093	

(E.)—TOTAL MAUNDAGE FOR EACH PRESIDENCY.

	Elephants.	Government Camels.	Hired Camels.	Mules.	Light Carts.	Army Transport Carts.	Pack Bullocks.	Coolies.	TOTAL Maundage.
BENGAL.									
Total Regimental and Depôt Transport -	337	30	2,033	4,367	334	400	250	568	
	Mds.	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*	
Weight per Animal - - - - - -	15	5	5	2	6	12	2	½	
TOTAL Maundage - - -	5,055	1,800	10,165	8,734	2,004	4,800	500	284	33,342
MADRAS.									
Total Regimental and Depôt Transport -	145	120	–	1,360	50	250	750	–	
	Mds.	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*	
Weight per Animal - - - - - -	15	5	–	2	6	12	2	–	
TOTAL Maundage - - -	2,175	600	–	2,720	300	3,000	1,500	–	10,295
BOMBAY.									
Total Regimental and Depôt Transport -	42	–	472	2,399	50	180	–	–	
	Mds.	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds*	*Mds.*	*Mds.*	
Weight per Animal - - - - - -	15	–	5	2	6	12	–	–	
TOTAL Maundage - - -	630	–	2,360	4,798	300	2,160	–	–	10,248
TOTAL - - -	–	–	–	–	–	–	–	–	53,885

— No. 11. —

EXTRACT Military Letter from the Government of India to the Secretary of State, No. 145, dated 15 August 1884.

THE foregoing proposals refer to the Commissariat proper, as regards which we have proposed that the three services should be separate for each presidency, and that service in it should continue to be permanent.

The Transport Branch of the Department stands on a different footing. The duties of this Department are not of so technical a kind as to require continuous service, and it is of great importance that there should be available a large body of officers who have had training in transport duties, so that the Department may be capable of immediate expansion in war time. Service in this Department therefore, when it was organised in 1882, was limited to five years, officers meanwhile being seconded in their regiments, and reverting to regimental duty at the expiration of their tour of service. Further, the conditions of transport service are much the same in all parts of India, while the transport animals are not obtained locally, but are supplied from various specific centres. The elephants, for example, all come from Assam, the greater part of the mules from Punjab, the best bullocks from particular districts, and so on. No useful purpose, therefore, is served in maintaining three entirely separate transport departments, more especially as the transport animals have to be largely transferred from one presidency to another from time to time according to the exigencies of the service. Further it is extremely desirable to establish uniformity of system in all transport matters throughout the Indian armies, especially uniformity of equipment. Too much importance can hardly be attached to uniformity on this head.

It therefore appears very necessary that the Transport Branch of the Supply Department should, like the Ordnance Department, be one for all India; and to this extent the Transport Department as organised in 1882 might now be modified. The Transport Staff would continue to be under the orders of the Government and the Commander in Chief of the presidency under which they are serving precisely to the same extent as at present. But the service should not be a local one; and the officers of it should be liable to transfer from one part of India to another according to the exigencies of the service.

We trust that these proposals will receive your Lordship's approval and sanction.

— No. 12. —

EXTRACT Military Despatch from the Secretary of State to the Government of India, No. 75, dated 26th March 1885.

WITH respect to the Transport Branch of the Service, I desire to point out that the result of the consideration by the Governments of Madras and Bombay of the question as to whether any transport system should be extended to their armies, called for in paragraph 5 of Lord Hartington's Military Despatch No. 335, of 19th October 1882, has never been communicated to this Office. I observe, however, that practical effect has been given to it by the formation in each of those Presidencies of a distinct Transport Branch of the Commissariat. I assume, therefore, that they were in complete agreement with the Government of India on this point, but I shall be glad to see the correspondence which passed on the subject.

It is now proposed to modify the organisation of the Department laid down in 1882, by making it a General Service like the Ordnance Department, that is, one for all India, the officers of it being liable to transfer from one part of India to another, according to the exigencies of the service. By this means your Government will ensure so far as possible uniformity of system and of equipment in a department where such uniformity is a matter of very great importance, and will at the same time have available a large body of officers trained in transport duties available for immediate service in war time.

I approve of this measure, which appears to me to be judicious, but I desire that the condition laid down in the letter proposing it, viz., that the Transport staff shall continue under the orders of the Government and of the Commander-in-Chief of the Presidency under which they are serving, precisely to the same extent as at present, may be strictly observed.

RETURN.

EAST INDIA ARMY SYSTEM (ARMY TRANSPORT).

Ordered, by The House of Commons, *to be Printed,*
13 *July* 1885.

LONDON:
PRINTED BY HENRY HANSARD AND SON,
PRINTERS TO THE HOUSE OF COMMONS.

To be purchased, either directly or through any Bookseller, from any of the following Agents, viz.,
Messrs. HANSARD, 13, Great Queen-street, W.C., and 32, Abingdon-street, Westminster;
Messrs. EYRE and SPOTTISWOODE, East Harding-street, Fleet-street, and
Sale Office, House of Lords;
Messrs. ADAM and CHARLES BLACK, of Edinburgh;
Messrs. ALEXANDER THOM and Co., or Messrs. HODGES, FIGGIS, and Co., of Dublin.

264. [*Price* 3 *s.* 1 *d.*] *Under* 26 *oz.*

H.—20. 11. 85.

EAST INDIA (ESTIMATE FOR 1885-86).

ESTIMATE

OF

REVENUE AND EXPENDITURE

OF THE

GOVERNMENT OF INDIA

For the Year 1885-86,

COMPARED WITH THE RESULTS OF 1884-85.

India Office,
11 June 1886.

E. STAFFORD HOWARD,
Under Secretary of State.

(*Presented pursuant to Act* 21 *&* 22 *Vict. c.* 106.)

Ordered, by The House of Commons, *to be Printed,*
16 *June* 1886.

LONDON:
PRINTED BY HENRY HANSARD AND SON,
PRINTERS TO THE HOUSE OF COMMONS.

To be purchased, either directly or through any Bookseller, from any of the following Agents, viz.,
Messrs. HANSARD, 13, Great Queen-street, W.C., and 32, Abingdon-street, Westminster;
Messrs. EYRE and SPOTTISWOODE, East Harding-street, Fleet-street, and
Sale Office, House of Lords;
Messrs. ADAM and CHARLES BLACK, of Edinburgh;
Messrs. ALEXANDER THOM and Co., or Messrs. HODGES, FIGGIS, and Co., of Dublin.

195.

No. 1.—ABSTRACT ACCOUNT showing the ESTIMATED REVENUE

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	1884–85.	ESTIMATE,* 1885–86.
PRINCIPAL HEADS OF REVENUE:	£.	£.
Land Revenue	21,832,211	22,393,400
Opium	8,816,469	8,914,700
Salt	6,507,236	6,309,700
Stamps	3,606,622	3,655,600
Excise	4,011,867	4,119,600
Provincial Rates	2,791,461	2,882,700
Customs	1,029,943	1,147,600
Assessed Taxes	511,828	515,000
Forest	986,984	1,052,194
Registration	286,784	304,300
Tributes from Native States	699,017	693,600
TOTAL £.	51,080,422	51,988,394
INTEREST	711,011	690,612
POST OFFICE, TELEGRAPH, AND MINT:		
Post Office	1,047,130	1,103,300
Telegraph	570,552	622,460
Mint	180,164	267,600
TOTAL £.	1,797,846	1,993,360
RECEIPTS BY CIVIL DEPARTMENTS:		
Law and Justice	546,059	562,300
Police	319,400	323,000
Marine	165,974	220,600
Education	203,291	194,600
Medical	53,084	56,936
Scientific and other Minor Departments	85,336	81,980
TOTAL £.	1,373,144	1,439,416
MISCELLANEOUS:		
Receipts in aid of Superannuation, &c.	321,007	409,380
Stationery and Printing	47,541	50,700
Exchange	12,383	259,900
Miscellaneous	342,954	354,975
TOTAL £.	723,885	1,075,455
RAILWAYS:		
State Railways (Gross Earnings)	8,419,213	9,805,402
Guaranteed Companies (Net Traffic Receipts)	3,478,300	3,644,000
Subsidized Companies (Repayment of Advances of Interest)	618	—
TOTAL £.	11,898,131	13,449,402
IRRIGATION:		
Major Works:		
Direct Receipts	1,075,131	847,400
Portion of Land Revenue due to Irrigation	465,817	537,500
Minor Works and Navigation	135,027	143,700
TOTAL £.	1,675,975	1,528,600
BUILDINGS AND ROADS:		
Military Works	40,415	40,900
Civil Works	574,682	503,568
TOTAL £.	615,097	544,468
RECEIPTS BY MILITARY DEPARTMENTS:		
Army:		
Effective	767,763	841,948
Non-effective	47,407	48,971
TOTAL £.	815,170	890,919
TOTAL REVENUE £.	70,690,681	73,600,626

* *This Estimate contains*, as regards the transactions in India, the figures adopted in the Financial Statement, and as regards those in England, the figures made up to 31st March, shown in the Home Accounts.

and EXPENDITURE, for 1885–86, compared with the RESULTS of 1884–85.

Transactions in *India*, including those of "Exchange."]

HEADS OF EXPENDITURE.	1884-85.	ESTIMATE,* 1885-86.
	£.	£.
DIRECT DEMANDS ON THE REVENUES:		
Refunds and Drawbacks	2,0[illegible]6	241,700
Assignments and Compensations	1,270,412	1,341,800
Charges in respect of Collection, viz.:		
Land Revenue	3,363,187	3,484,537
Opium (including cost of Production)	2,[illegible]	2,110,193
Salt (including cost of Production)	4[illegible]8	485,864
Stamps	141[illegible]	147,223
Excise	1[illegible]	89,065
Provincial Rates	70,[illegible]	47,100
Customs	1,6[illegible]	131,300
Assessed Taxes	12,9[illegible]6	12,700
Forest	6[illegible]7	[illegible]
Registration	174,465	185,500
TOTAL £.	9,559,055	9,860,661
INTEREST:		
Interest on Debt, other than that charged to Railways and Irrigation Works	4,137,[illegible]	2,858,211
Interest on other Obligations	482,[illegible]78	458,488
TOTAL £.	4,619,443	4,316,699
POST OFFICE, TELEGRAPH, AND MINT:		
Post Office	1,270,484	1,298,314
Telegraph	788,435	889,784
Mint	86,330	127,289
TOTAL £.	2,145,249	2,315,387
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:		
General Administration	1,666,923	1,731,329
Law and Justice	3,305,978	3,311,958
Police	2,812,725	2,843,300
Marine (including River Navigation)	531,973	524,131
Education	1,238,787	1,247,901
Ecclesiastical	166,411	160,201
Medical	743,722	752,795
Political	799,098	1,130,602
Scientific and other Minor Departments	457,618	489,988
TOTAL £.	11,743,167	12,230,225
MISCELLANEOUS CIVIL CHARGES:		
Territorial and Political Pensions	671,349	656,706
Civil Furlough and Absentee Allowances	261,306	264,146
Superannuation Allowances and Pensions	2,546,006	2,767,013
Stationery and Printing	544,926	511,499
Miscellaneous	292,342	322,556
TOTAL £.	4,316,929	4,521,920
FAMINE RELIEF AND INSURANCE:		
Famine Relief	7,350	38,500
Construction of Protective Railways	946,457	589,000
Construction of Protective Irrigation Works	252,046	198,600
Reduction of Debt	341,504	673,900
TOTAL £.	1,548,357	1,500,000
CONSTRUCTION OF RAILWAYS (CHARGED AGAINST REVENUE IN ADDITION TO THAT UNDER FAMINE INSURANCE)	263,501	631,100
RAILWAY REVENUE ACCOUNT:		
State Railways:—Working Expenses	4,212,896	4,710,100
Interest on Debt	2,397,116	2,[illegible]5,710
Annuities in purchase of Railways	1,517,174	1,740,798
Interest on Capital deposited by Companies	118,170	267,845
Guaranteed Companies:—Surplus Profits, Land, and Supervision	492,952	493,500
Interest	4,028,654	4,186,039
Subsidized Companies:—Land, &c.	39,551	47,800
Advances of Interest	45,239	
Miscellaneous Railway Expenditure	97,554	102,900
TOTAL £.	12,949,306	14,224,692
IRRIGATION:		
Major Works:—Working Expenses	571,780	593,300
Interest on Debt	932,004	966,000
Minor Works and Navigation	745,200	746,490
TOTAL £.	2,248,984	2,305,790
BUILDINGS AND ROADS:		
Military Works	949,647	996,853
Civil Works	4,059,630	3,707,256
TOTAL £.	5,009,277	4,704,109
ARMY SERVICES:		
Army:—Effective	13,208,192	16,672,105
Non-effective	3,755,611	3,056,442
TOTAL £.	16,963,803	19,728,547
TOTAL EXPENDITURE (IMPERIAL AND PROVINCIAL) £.	71,366,071	76,339,130

	1884–85.	1885–86.	
	£.	£.	
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year	73,840	357,300	} —288,944
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	—362,784	—243,400	
TOTAL EXPENDITURE CHARGED AGAINST REVENUE £.			71,077,127
			76,453,030
EXPENDITURE NOT CHARGED TO REVENUE:			
Capital Outlay on Railways and Irrigation Works:			
State Railways			3,526,152
Irrigation Works			699,588
Purchase of the Madras Irrigation and Canal Company's Undertaking			873
TOTAL £.			4,226,613
			4,896,626
			616,551
			2,819
			5,515,996
Capital Charge involved in Redemption of Liabilities			1,314,746
			1,086,045

ESTIMATE, 1885–86.	£.
Revenue	73,600,626
Expenditure chargeable thereon	76,453,030
Excess of Expenditure over Revenue £.	2,852,404

No. 2.—ACCOUNT showing the ESTIMATED REVENUE (Imperial, Provincial, compared with the

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	INDIA, GENERAL.		CENTRAL PROVINCES.		BRITISH BURMAH.		ASSAM.	
	1884–85.	1885–86.	1884–85.	1885–86.	1884–85.	1885–86.	1884–85.	
PRINCIPAL HEADS OF REVENUE:	£.	£.	£.	£.	£.	£.	£.	
Land Revenue	98,109	111,300	606,309	612,300	1,141,231	1,120,000	404,943	1
Opium	190	200	21,504	22,000	30,327	27,600	42,985	2
Salt	1,600,672	1,200,300	–	26,100	26,442	17,600	–	3
Stamps	39,543	39,700	136,988	137,800	97,981	99,400	77,256	4
Excise	56,970	58,200	249,293	250,000	224,170	217,400	221,039	5
Provincial Rates	7,385	9,500	64,822	70,000	84,046	81,200	42,650	6
Customs	–	–	–	–	436,551	522,400	–	7
Assessed Taxes	26	–	23,907	24,400	–	–	–	8
Forest	13,468	12,700	102,720	100,200	167,098	197,800	18,042	9
Registration	1,495	1,500	6,809	7,600	2,356	2,600	3,071	10
Tributes from Native States	224,211	216,800	13,591	13,600	–	–	–	11
TOTAL £.	2,042,069	1,650,200	1,225,943	1,264,000	2,210,202	2,286,000	809,986	12
INTEREST	301,212	309,000	1,041	1,300	2,844	2,800	597	13
POST OFFICE, TELEGRAPH, AND MINT:								
Post Office	67,627	1,098,900	41,933	–	30,153	–	24,156	14
Telegraph	541,058	575,400	–	–	–	–	–	15
Mint	85,298	117,400	–	–	–	–	–	16
TOTAL £.	693,983	1,791,700	41,933	–	30,153	–	24,156	17
RECEIPTS BY CIVIL DEPARTMENTS:								
Law and Justice	33,746	51,600	42,636	43,400	39,526	43,600	16,310	18
Police	4,862	5,800	25,199	20,000	4,530	4,100	10,305	19
Marine	64,126	110,500	–	–	18,690	21,900	509	20
Education	1,998	1,800	10,612	14,500	5,320	4,500	3,867	21
Medical	302	300	2,260	900	902	1,000	138	22
Scientific and other Minor Departments	18,563	22,200	1,692	1,500	195	200	8,825	23
TOTAL £.	123,597	192,200	82,399	80,300	69,163	75,300	39,954	24
MISCELLANEOUS:								
Receipts in aid of Superannuation, &c.	100,787	116,300	687	2,400	320	1,500	135	25
Stationery and Printing	7,405	6,000	2,137	2,000	357	500	347	26
Exchange	12,383	259,900	–	–	–	–	–	27
Miscellaneous	44,928	44,800	9,043	7,700	12,176	12,100	4,383	28
TOTAL £.	165,503	427,000	11,867	12,100	12,853	14,100	4,865	29
RAILWAYS:								
State Railways (Gross Earnings)	5,655,244	6,392,100	205,633	220,500	216,640	237,000	383	30
Guaranteed Companies (Net Traffic Receipts).	3,478,300	3,644,000	–	–	–	–	–	31
Subsidised Companies (Repayment of Advances of Interest).	–	–	–	–	–	–	–	32
TOTAL £.	9,133,544	10,036,100	205,633	220,500	216,640	237,000	383	33
IRRIGATION:								
Major Works: Direct Receipts	–	–	–	–	–	–	–	34
Portion of Land Revenue due to Irrigation.	–	–	–	–	–	–	–	35
Minor Works and Navigation	984	1,300	–	–	3,283	4,000	–	36
TOTAL £.	984	1,300	–	–	3,283	4,000	–	37
BUILDINGS AND ROADS:								
Military Works	23,355	23,300	280	300	850	600	168	38
Civil Works	31,696	9,000	14,136	12,900	13,139	10,800	13,798	39
TOTAL £.	55,051	32,300	14,416	13,200	13,989	11,400	13,966	40
RECEIPTS BY MILITARY DEPARTMENTS:								
Army: Effective	396,751	455,400	–	–	–	–	–	41
Non-Effective	20,128	22,000	–	–	–	–	–	42
TOTAL £.	416,879	477,400	–	–	–	–	–	43
TOTAL REVENUE £.	12,932,822	14,917,200	1,583,232	1,591,400	2,559,127	2,630,600	893,907	44

and Local) in each of the PROVINCES of *British India*, and in *England*, for 1885-86, RESULTS of 1884-85.

Transactions in *India*, including those of "Exchange."]

	ASSAM.	BENGAL.		NORTH WESTERN PROVINCES and OUDH.		CARRIED FORWARD.		HEADS OF REVENUE.
	1885-86.	1884-85.	1885-86.	1884-85.	1885-86.	1884-85.	1885-86.	
	£.	£.	£.	£.	£.	£.	£.	PRINCIPAL HEADS OF REVENUE:
1	410,800	3,742,025	3,876,000	5,727,624	5,692,800	11,720,241	11,823,200	Land Revenue.
2	42,000	6,139,694	6,360,500	42,411	42,400	6,277,111	6,494,760	Opium.
3	–	2,032,702	1,910,000	–	–	3,659,816	3,154,000	Salt.
4	77,900	1,299,121	1,315,000	605,882	620,000	2,256,771	2,289,800	Stamps.
5	220,000	1,005,222	967,500	524,361	528,000	2,281,055	2,241,100	Excise.
6	51,500	766,940	788,000	654,942	657,000	1,620,785	1,657,200	Provincial Rates.
7	–	301,066	328,500	–	–	737,617	850,900	Customs.
8	–	149,648	150,000	121,491	120,000	295,072	294,400	Assessed Taxes.
9	19,000	57,115	57,000	157,232	160,000	515,675	546,700	Forest.
10	3,300	108,240	111,100	34,122	35,000	156,093	161,100	Registration.
11	–	–	–	–	–	237,802	230,400	Tributes from Native States.
12	824,500	15,601,773	15,863,600	7,868,065	7,855,200	29,758,038	29,743,500	- - - TOTAL.
13	600	73,663	87,300	21,378	19,000	400,735	420,000	INTEREST.
								POST OFFICE, TELEGRAPH, AND MINT:
14	–	236,617	1,500	145,596	–	546,082	1,100,400	Post Office.
15	–	3	–	–	–	541,061	575,400	Telegraph.
16	–	–	–	–	–	85,298	117,400	Mint.
17	–	236,620	1,500	145,596	–	1,172,441	1,793,200	- - - TOTAL.
								RECEIPTS BY CIVIL DEPARTMENTS:
18	14,900	148,322	150,000	85,402	88,000	365,942	391,500	Law and Justice.
19	11,600	69,586	71,800	37,944	36,200	152,426	149,500	Police.
20	500	77,164	81,800	–	–	160,489	214,700	Marine.
21	3,900	52,356	53,100	13,752	13,900	87,905	91,700	Education.
22	100	14,826	13,600	11,429	12,600	29,857	28,500	Medical.
23	5,000	17,591	14,200	9,563	8,500	56,429	51,600	Scientific and other Minor Departments.
24	36,000	379,845	384,500	158,090	159,200	853,048	927,500	- - - TOTAL.
								MISCELLANEOUS:
25	1,600	10,006	20,300	2,395	11,600	114,330	153,700	Receipts in aid of Superannuation, &c.
26	300	10,849	14,400	4,673	4,500	25,768	27,700	Stationery and Printing.
27	–	–	–	–	–	12,383	259,900	Exchange.
28	4,100	118,146	104,500	43,437	45,100	232,113	218,300	Miscellaneous.
29	6,000	139,001	139,200	50,505	61,200	384,594	659,600	- - - TOTAL.
								RAILWAYS:
30	3,500	882,611	943,300	98,503	107,900	7,059,014	7,904,300	State Railways (Gross Earnings).
31	–	–	–	–	–	3,478,300	3,644,000	Guaranteed Companies (Net Traffic Receipts).
32	–	–	–	–	–	–	–	Subsidised Companies (Repayment of Advances of Interest).
33	3,500	882,611	943,300	98,503	107,900	10,537,314	11,548,300	- - - TOTAL.
								IRRIGATION:
34	–	130,752	135,000	619,660	428,900	750,412	563,900	Major Works: Direct Receipts.
35	–	–	–	87,237	87,200	87,237	87,200	Portion of Land Revenue due to Irrigation.
36	–	79,483	87,800	16,438	13,300	100,188	106,400	Minor Works and Navigation.
37	–	210,235	222,800	723,335	529,400	937,837	757,500	- - - TOTAL.
								BUILDINGS AND ROADS:
38	200	848	700	35	–	25,536	25,100	Military Works.
39	11,500	126,287	72,400	94,083	104,400	293,139	221,000	Civil Works.
40	11,700	127,135	73,100	94,118	104,400	318,675	246,100	- - - TOTAL.
								RECEIPTS BY MILITARY DEPARTMENTS:
41	–	–	–	–	–	396,751	455,400	Army: Effective.
42	–	–	–	–	–	20,128	22,000	Non-Effective.
43	–	–	–	–	–	416,879	477,400	- - - TOTAL.
44	882,300	17,650,883	17,715,300	9,159,590	8,836,300	44,779,561	46,573,100	- - - TOTAL REVENUE.

No. 2.—Account showing the Estimated Revenue (Imperial, Provincial, and Local) in each of the Provinces

[£1. is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	Brought Forward.		Punjab.		Madras.		Bombay.		
	1884–85.	1885–86.	1884–85.	1885–86.	1884–85.	1885–86.	1884–85.	1885–86.	
Principal Heads of Revenue:	£.	£.	£.	£.	£.	£.	£.	£.	
Land Revenue	11,720,241	11,823,200	2,070,008	2,126,900	4,186,376	4,345,200	3,855,586	4,098,100	1
Opium	6,277,111	6,494,700	–	–	–	–	2,539,358	2,420,000	2
Salt	3,659,816	3,154,000	–	–	1,379,879	1,400,000	1,467,541	1,755,700	3
Stamps	2,256,771	2,289,800	338,519	337,500	564,903	586,000	446,429	442,300	4
Excise	2,281,055	2,241,100	136,170	132,000	773,263	874,000	821,379	872,500	5
Provincial Rates	1,620,785	1,657,200	336,032	348,600	613,374	635,000	221,270	241,900	6
Customs	737,617	850,900	–	–	99,713	92,700	192,613	204,000	7
Assessed Taxes	295,072	294,400	47,898	48,600	43,276	46,000	125,582	126,000	8
Forest	515,675	546,700	74,935	83,500	116,692	122,200	277,484	298,700	9
Registration	156,093	161,100	17,555	17,900	75,841	86,000	37,295	39,300	10
Tributes from Native States	237,802	230,400	28,006	28,300	344,643	344,600	88,566	90,300	11
Total £.	29,758,038	29,743,500	3,049,123	3,123,300	8,197,960	8,531,700	10,073,103	10,588,800	12
Interest	400,735	420,000	20,146	18,400	65,998	61,400	180,737	178,800	13
Post Office, Telegraph, and Mint:									
Post Office	546,082	1,100,400	143,254	2,700	169,753	–	188,041	200	14
Telegraph	541,061	575,400	–	–	–	–	368	400	15
Mint	85,298	117,400	–	–	66	–	94,775	150,200	16
Total £.	1,172,441	1,793,200	143,254	2,700	169,819	–	283,184	150,800	17
Receipts by Civil Departments:									
Law and Justice	365,942	391,500	61,926	63,500	61,637	57,300	56,554	50,000	18
Police	152,426	149,500	66,642	67,500	32,205	33,000	68,127	73,000	19
Marine	160,489	214,700	–	–	507	600	4,978	5,300	20
Education	87,905	91,700	12,036	10,500	29,952	30,000	73,398	62,400	21
Medical	29,857	28,500	3,226	3,200	10,838	14,200	6,104	7,700	22
Scientific and other Minor Departments	56,429	51,600	7,823	7,700	17,290	19,400	3,032	3,100	23
Total £.	853,048	927,500	151,653	152,400	152,429	154,500	212,193	201,500	24
Miscellaneous:									
Receipts in aid of Superannuation, &c.	114,330	153,700	3,769	8,000	35,287	36,900	45,782	46,500	25
Stationery and Printing	25,768	27,700	7,513	7,700	8,393	9,300	5,867	6,000	26
Exchange	12,383	259,900	–	–	–	–	–	–	27
Miscellaneous	232,113	218,300	24,254	30,000	51,412	55,400	23,908	42,900	28
Total £.	384,594	659,600	35,536	45,700	95,092	101,600	75,557	95,400	29
Railways:									
State Railways (Gross Earnings)	7,059,014	7,904,300	1,238,959	1,778,500	–	–	120,954	122,300	30
Guaranteed Companies (Net Traffic Receipts).	3,478,300	3,644,000	–	–	–	–	–	–	31
Subsidized Companies (Repayment of Advances of Interest).	–	–	–	–	–	–	–	–	32
Total £.	10,537,314	11,548,300	1,238,959	1,778,500	–	–	120,954	122,300	33
Irrigation:									
Major Works: Direct Receipts	750,412	563,900	268,907	228,100	27,161	22,500	28,651	32,900	34
Portion of Land Revenue due to Irrigation.	87,237	87,200	33,389	43,100	296,231	347,700	48,960	59,500	35
Minor Works and Navigation	100,188	106,400	15,340	17,300	7,182	7,300	12,317	12,700	36
Total £.	937,837	757,500	317,636	288,500	330,574	377,500	89,928	105,100	37
Buildings and Roads:									
Military Works	25,536	25,100	719	700	3,359	3,000	10,801	12,100	38
Civil Works	293,139	221,000	58,512	57,800	77,023	80,300	123,362	118,500	39
Total £.	318,675	246,100	59,231	58,500	80,382	83,300	134,163	130,600	40
Receipts by Military Department:									
Army: Effective	396,751	455,400	–	–	150,829	146,100	140,090	166,600	41
Non-effective	20,128	22,000	–	–	15,137	13,600	8,061	9,300	42
Total £.	416,879	477,400	–	–	165,966	159,700	148,151	175,900	43
TOTAL REVENUE £.	44,779,561	46,573,100	5,015,538	5,468,000	9,258,220	9,469,700	11,317,970	11,749,200	44

of *British India*, and in *England*, for 1885-86, compared with the Results of 1884-85—*continued.*

Transactions in *India*, including those of "Exchange."]

	Total India.		England.		Exchange.*		Grand Total.		Heads of Revenue.
	1884-85.	1885-86.	1884-85.	1885-86.	1884-85.	1885-86.	1884-85.	1885-86.	
	£.	£.	£.	£.	£.	£.	£.	£.	Principal Heads of Revenue:
1	21,832,211	22,393,400	–	–	–	–	21,832,211	22,393,400	Land Revenue.
2	8,816,469	8,914,700	–	–	–	–	8,816,469	8,914,700	Opium.
3	6,507,236	6,309,700	–	–		–	6,507,236	6,309,700	Salt.
4	3,606,622	3,655,600	–	–	–	–	3,606,622	3,655,600	Stamps.
5	4,011,867	4,119,600	–	–	–	–	4,011,867	4,119,600	Excise.
6	2,791,461	2,882,700	–	–	–	–	2,791,461	2,882,700	Provincial Rates.
7	1,029,943	1,147,600	–	–	–	–	1,029,943	1,147,600	Customs.
8	511,828	515,000	–	–	–	–	511,828	515,000	Assessed Taxes.
9	984,786	1,051,100	1,768	832	430	262	986,984	1,052,194	Forest.
10	286,784	304,300	–	–	–	–	286,784	304,300	Registration.
11	699,017	693,600	–	–	–	–	699,017	693,600	Tributes from Native States.
12	51,078,224	51,987,300	1,768	832	430	262	51,080,422	51,988,394	- - - Total.
13	667,616	678,600	34,912	9,136	8,483	2,876	711,011	690,612	Interest.
									Post Office, Telegraph, and Mint:
14	1,047,130	1,103,300	–	–	–	–	1,047,130	1,103,300	Post Office.
15	541,429	575,800	23,430	35,489	5,693	11,171	570,552	622,460	Telegraph.
16	180,139	267,600	20	–	5	–	180,164	267,600	Mint.
17	1,768,698	1,946,700	23,450	35,489	5,698	11,171	1,797,846	1,993,360	- - - Total.
									Receipts by Civil Departments:
18	546,059	562,300	–	–	–	–	546,059	562,300	Law and Justice.
19	319,400	323,000	–	–	–	–	319,400	323,000	Police.
20	165,974	220,600	–	–	–	–	165,974	220,600	Marine.
21	203,291	194,600	–	–	–	–	203,291	194,600	Education.
22	50,025	53,600	2,461	2,537	598	799	53,084	56,936	Medical.
23	84,574	81,800	613	137	149	43	85,336	81,980	Scientific and other Minor Departments.
24	1,369,323	1,435,900	3,074	2,674	747	842	1,373,144	1,439,416	- - - Total.
									Miscellaneous:
25	199,168	245,100	98,021	125,330	23,818	39,450	321,007	409,880	Receipts in aid of Superannuation, &c.
26	47,541	50,700	–	–	–	–	47,541	50,700	Stationery and Printing.
27	12,383	259,900	–	–	–	–	12,383	259,900	Exchange.
28	331,687	346,600	9,064	6,370	2,203	2,005	342,954	354,975	Miscellaneous.
29	590,779	902,300	107,085	131,700	26,021	41,455	723,885	1,075,455	- - - Total.
									Railways:
30	8,418,927	9,805,100	230	230	56	72	8,419,213	9,805,402	State Railways (Gross Earnings).
31	3,478,300	3,644,000	–	–	–	–	3,478,300	3,644,000	Guaranteed Companies (Net Traffic Receipts).
32	–	–	497	–	121	–	618	–	Subsidized Companies (Repayment of Advances of Interest).
33	11,897,227	13,449,100	727	230	177	72	11,898,131	13,449,402	- - - Total.
									Irrigation:
34	1,075,131	847,400	–	–	–	–	1,075,131	847,400	Major Works: Direct Receipts.
35	465,817	537,500	–	–	–	–	465,817	537,500	Portion of Land Revenue due to Irrigation.
36	135,027	143,700	–	–	–	–	135,027	143,700	Minor Works and Navigation.
37	1,675,975	1,528,600	–	–	–	–	1,675,975	1,528,600	- - - Total.
									Buildings and Roads:
38	40,415	40,900	–	–	–	–	40,415	40,900	Military Works.
39	552,036	477,600	18,219	19,751	4,427	6,217	574,682	503,568	Civil Works.
40	592,451	518,500	18,219	19,751	4,427	6,217	615,097	544,468	- - - Total.
									Receipts by Military Department:
41	687,670	768,100	64,436	56,168	15,657	17,680	767,763	841,948	Army: Effective.
42	43,326	44,900	3,283	3,096	798	975	47,407	48,971	Non-effective.
43	730,996	813,000	67,719	59,264	16,455	18,655	815,170	890,919	- - - Total.
44	70,371,289	73,260,000	256,954	259,076	62,438	81,550	70,690,681	73,600,626	- - - TOTAL REVENUE.

* The Columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, the Exchange thereon calculated in accordance with the average rate obtained for Bills and Telegraphic Transfers sold during the year.

No. 3.—ACCOUNT showing the Estimated Expenditure (Imperial, Provincial, and Local) in each of the

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	INDIA, GENERAL.		CENTRAL PROVINCES.		BRITISH BURMAH.		ASSAM.	
	1884–85.	1885–86.	1884–85.	1885–86.	1884–85.	1885–86.	1884–85.	
DIRECT DEMANDS ON THE REVENUES:	£.	£.	£.	£.	£.	£.	£.	
Refunds and Drawbacks	2,240	8,600	2,939	3,200	15,592	16,600	1,442	1
Assignments and Compensations	315,675	309,700	7,242	13,000	–	–	3,333	2
Charges in respect of Collection, viz.:								
Land Revenue	46,911	56,800	70,865	93,800	238,324	206,400	92,403	3
Opium (including cost of Production)	1,315	1,300	–	–	–	–	–	4
Salt (including cost of Production)	144,066	132,000	–	–	275	300	–	5
Stamps	*—35,357*	*—36,600*	3,722	3,400	2,233	2,200	3,960	6
Excise	1,682	1,300	6,585	6,800	1,843	4,400	774	7
Provincial Rates	–	–	–	–	4,604	4,200	533	8
Customs	–	–	–	–	17,005	17,300	–	9
Assessed Taxes	–	–	34	100	–	–	–	10
Forest	19,544	20,000	49,425	47,000	121,197	115,300	19,676	11
Registration	622	700	3,575	4,100	1,202	1,400	2,005	12
TOTAL £.	496,698	493,800	144,387	171,400	402,275	368,100	124,126	13
INTEREST:								
Interest on Debt,* other than that charged to Railways and Irrigation Works.	885,902	656,800	1,046	900	–	–	41	14
Interest on other obligations	274,956	257,100	2,253	2,400	1,090	1,200	1,408	15
TOTAL £.	1,160,858	913,900	3,299	3,300	1,090	1,200	1,449	16
POST OFFICE, TELEGRAPH, AND MINT:								
Post Office	70,345	1,051,300	41,939	5,000	38,353	12,100	31,082	17
Telegraph	† 563,241	536,900	–	–	–	–	–	18
Mint	39,735	59,300	–	–	–	–	–	19
TOTAL £.	673,321	1,647,500	41,939	5,000	38,353	12,100	31,082	20
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:								
General Administration	431,001	445,800	56,127	66,700	47,857	49,000	23,007	21
Law and Justice	167,590	168,200	116,188	117,500	169,661	170,700	63,265	22
Police	46,133	52,200	139,381	139,000	230,478	227,100	96,790	23
Marine (including River Navigation)	195,509	212,300	–	–	34,883	27,800	13,183	24
Education	17,076	16,000	59,750	62,000	43,965	47,500	29,433	25
Ecclesiastical	18,696	17,700	4,336	4,300	6,566	6,700	1,896	26
Medical	16,515	18,200	30,706	31,200	23,086	24,200	15,411	27
Political	563,660	859,700	1,653	1,400	1,877	2,300	5,206	28
Scientific and other Minor Departments	239,153	263,800	11,262	11,500	10,757	9,400	3,984	29
TOTAL £.	1,695,333	2,053,900	419,403	433,600	569,130	564,700	252,175	30
MISCELLANEOUS CIVIL CHARGES:								
Territorial and Political Pensions	167,325	166,200	37,602	32,700	3,307	3,100	2,714	31
Civil Furlough and Absentee Allowances	302	200	–	–	10	–	–	32
Superannuation Allowances and Pensions	115,383	99,600	14,838	14,600	17,541	17,100	5,178	33
Stationery and Printing	*—72,059*	*—72,600*	13,530	13,700	17,266	18,000	7,252	34
Miscellaneous	37,899	60,900	5,203	6,300	8,264	6,800	6,530	35
TOTAL £.	248,850	254,300	71,173	67,300	46,388	45,000	21,674	36
FAMINE RELIEF AND INSURANCE:								
Famine Relief	–	–	–	–	–	–	20	37
Construction of Protective Railways	† 48,357	589,000	–	–	–	–	–	38
Construction of Protective Irrigation Works.	–	–	–	–	–	–	–	39
Reduction of Debt	341,504	673,900	–	–	–	–	–	40
TOTAL £.	389,861	1,262,900	–	–	–	–	20	41
Carried forward to page 12	4,664,921	6,626,300	680,201	680,600	1,057,236	991,100	430,526	42

* The "Interest on Debt" is distributed as follows:—

Interest on Debt (other than that charged to Railways and Irrigation Works) as above.	885,902	656,800	1,046	900	–	–	41	
Under Railway Revenue Account	1,616,959	1,804,100	37,151	39,300	99,171	107,200	–	
Under Irrigation	461,452	486,900	–	–	–	–	–	
TOTAL £.	2,964,313	2,947,800	38,197	40,200	99,171	107,200	41	

† Includes exchange on stores transferred from Capital, State Railways and Irrigation, which could not be distributed by Provinces, as the necessary details are not available at present.

Provinces of *British India*, and in *England*, for 1885-86, compared with Results of 1884-85—*cont*[d].

Transactions in *India*, including those of "Exchange."]

	Assam.	Bengal.		North Western Provinces and Oudh.		Carried Forward.		Heads of Expenditure.
	1885-86.	1884-85.	1885-86.	1884-85.	1885-86.	1884-85.	1885-86.	
	£.	£.	£.	£.	£.	£.	£.	Direct Demands on the Revenues:
1	1,700	67,520	61,700	15,990	19,000	105,723	110,800	Refunds and Drawbacks.
2	3,500	12,819	12,300	6,517	6,700	345,586	345,200	Assignments and Compensations.
								Charges in respect of Collection, viz.:—
3	93,500	340,555	346,100	811,591	820,000	1,600,649	1,616,600	Land Revenue.
4	–	2,959,624	3,100,000	–	–	2,960,939	3,101,300	Opium (including cost of Production).
5	–	3,948	4,300	–	–	148,289	136,600	Salt (including cost of Production).
6	3,600	46,733	49,200	14,409	12,800	35,700	34,600	Stamps.
7	800	28,867	32,500	10,652	10,700	50,403	56,500	Excise.
8	500	23,425	20,000	638	700	29,200	25,400	Provincial Rates.
9	–	49,814	48,600	–	–	66,819	65,900	Customs.
10	–	9,390	9,000	609	700	10,033	9,800	Assessed Taxes.
11	20,000	41,132	37,000	101,932	109,700	352,906	349,000	Forest.
12	2,000	59,348	60,000	19,727	19,400	86,479	87,600	Registration.
13	125,600	3,643,175	3,780,700	982,065	999,700	5,792,726	5,939,300	- - - Total.
								Interest:
14	100	853	900	3,019	3,000	890,861	661,700	Interest on Debt,* other than that charged to Railways and Irrigation Works.
15	1,400	20,930	20,500	7,534	7,500	308,171	290,100	Interest on other Obligations.
16	1,500	21,783	21,400	10,553	10,500	1,199,032	951,800	- - - Total.
								Post Office, Telegraph, and Mint:
17	3,100	368,287	33,200	147,403	19,100	697,409	1,123,800	Post Office.
18	–	95	100	–	–	563,336	537,000	Telegraph.
19	–	–	–	–	–	39,735	59,300	Mint.
20	3,100	368,382	33,300	147,403	19,100	1,300,480	1,720,100	- - - Total.
								Salaries and Expenses of Civil Departments:
21	23,200	201,330	195,800	162,317	160,000	921,639	940,500	General Administration.
22	61,000	940,918	966,000	525,649	525,000	1,983,271	2,008,400	Law and Justice.
23	95,500	482,853	474,700	625,316	637,000	1,620,951	1,625,500	Police.
24	7,800	84,715	79,800	–	–	328,290	327,700	Marine (including River Navigation).
25	31,800	340,041	330,000	173,820	172,000	664,085	659,300	Education.
26	2,000	21,404	20,600	24,390	24,800	77,288	76,100	Ecclesiastical.
27	16,700	145,877	143,100	109,745	111,000	341,340	344,400	Medical.
28	5,600	4,063	4,500	13,088	13,000	589,547	886,500	Political.
29	4,600	43,070	42,800	32,045	32,000	340,271	364,100	Scientific and other Minor Departments.
30	248,200	2,264,271	2,257,300	1,666,370	1,674,800	6,866,682	7,232,500	- - - Total.
								Miscellaneous Civil Charges:
31	2,700	101,774	101,000	88,822	87,000	401,544	392,700	Territorial and Political Pensions.
32	–	3,358	3,700	–	100	3,670	4,000	Civil Furlough and Absentee Allowances.
33	5,500	119,951	127,100	125,580	130,000	398,471	393,900	Superannuation Allowances and Pensions.
34	6,300	174,603	181,300	58,616	54,000	199,208	200,700	Stationery and Printing.
35	6,800	50,242	45,800	22,237	22,000	130,375	148,600	Miscellaneous.
6	21,300	449,928	458,900	295,255	293,100	1,133,268	1,139,900	- - - Total.
								Famine Relief and Insurance:
37	–	1,484	10,000	–	–	1,504	10,000	Famine Relief.
38	–	–	–	203,918	–	252,275	589,000	Construction of Protective Railways.
39	–	40,000	8,200	82,982	62,500	122,982	70,700	Construction of Protective Irrigation Works.
40	–	–	–	–	–	341,504	673,900	Reduction of Debt.
41	–	41,484	18,200	286,900	62,500	718,265	1,343,600	- - - Total.
42	399,700	6,789,023	6,569,800	3,388,546	3,059,700	17,010,453	18,327,200	Carried forward to page 13.

* *The "Interest on Debt" is distributed as follows :—*

100	*853*	*900*	*3,019*	*3,000*	*890,861*	*661,700*	*Interest on Debt (other than that charged to Railways and Irrigation Works) as above.*
–	171,526	191,900	15,062	12,000	1,939,869	2,154,500	Under Railway Revenue Account.
–	221,263	225,400	249,289	253,700	932 004	966,000	Under Irrigation.
100	393,642	418,200	267,370	268,700	3,762,734	3,782,200	- - - Total.

No. 3.—ACCOUNT showing the Estimated Expenditure (Imperial, Provincial, and Local) in each of the

[£.1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	BROUGHT FORWARD.		PUNJAB.		MADRAS.		BOMBAY.		
	1884–85.	1885–86.	1884–85.	1885–86.	1884–85.	1885–86.	1884–85.	1885–86.	
DIRECT DEMANDS ON THE REVENUES:	£.	£.	£.	£.	£.	£.	£.	£.	
Refunds and Drawbacks	105,723	110,800	10,833	10,500	27,266	26,300	57,014	84,100	1
Assignments and Compensations	345,586	345,200	20,766	19,300	116,131	116,000	792,959	861,300	2
Charges in respect of Collection, viz.:									
Land Revenue	1,600,649	1,616,600	297,199	324,600	790,622	766,500	674,405	676,400	3
Opium (including cost of Production)	2,960,939	3,101,300	–	–	–	–	1,593	2,700	4
Salt (including cost of Production)	148,289	136,600	–	–	163,155	165,000	137,793	177,000	5
Stamps	35,700	34,600	12,556	13,200	16,796	16,000	19,792	19,600	6
Excise	50,403	56,500	5,835	5,800	23,243	–	24,136	25,600	7
Provincial Rates	29,200	25,400	16,153	16,000	–	–	5,307	5,700	8
Customs	66,819	65,900	–	–	16,013	16,800	54,028	48,700	9
Assessed Taxes	10,033	9,800	120	200	697	700	2,086	2,000	10
Forest	352,906	349,000	55,776	65,000	89,545	102,300	176,346	178,400	11
Registration	86,479	87,600	9,673	9,800	52,884	58,100	29,429	30,000	12
TOTAL £.	5,792,726	5,939,300	428,911	464,400	1,296,352	1,267,700	1,974,888	2,111,500	13
INTEREST:									
Interest on Debt,* other than that charged to Railways and Irrigation Works.	890,861	661,700	596	1,200	758	800	1,030	1,000	14
Interest on other Obligations	308,171	290,100	5,206	5,800	81,706	82,500	83,603	79,700	15
TOTAL £.	1,199,032	951,800	5,802	7,000	82,464	83,300	84,633	80,700	16
POST OFFICE, TELEGRAPH, AND MINT:									
Post Office	697,409	1,123,800	130,223	13,700	124,634	10,900	173,009	11,700	17
Telegraph	563,336	537,000	–	–	–	–	705	700	18
Mint	39,735	59,300	–	–	–	–	34,448	38,700	19
TOTAL £.	1,300,480	1,720,100	130,223	13,700	124,634	10,900	208,162	51,100	20
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:									
General Administration	921,639	940,500	129,850	124,300	147,084	149,200	176,336	172,000	21
Law and Justice	1,983,271	2,008,400	327,922	345,200	474,778	474,300	518,660	515,600	22
Police	1,620,951	1,625,500	336,583	332,600	385,427	383,000	489,764	502,200	23
Marine (including River Navigation)	328,290	327,700	–	–	2,729	2,000	8,718	6,200	24
Education	664,085	659,300	119,100	124,500	189,775	193,700	265,479	269,900	25
Ecclesiastical	77,288	76,100	21,221	22,200	34,186	35,100	33,079	32,000	26
Medical	341,340	344,400	81,825	80,500	166,916	171,900	143,846	144,600	27
Political	589,547	886,500	76,330	95,000	21,188	20,700	72,202	85,200	28
Scientific and other Minor Departments	340,271	364,100	21,371	22,000	37,702	37,100	38,614	44,100	29
TOTAL £.	6,866,682	7,232,500	1,114,202	1,146,300	1,459,785	1,467,000	1,746,698	1,771,800	30
MISCELLANEOUS CIVIL CHARGES:									
Territorial and Political Pensions	401,544	392,700	43,860	44,400	103,381	103,400	86,674	87,200	31
Civil Furlough and Absentee Allowances	3,670	4,000	–	–	9,061	200	2,121	2,000	32
Superannuation Allowances and Pensions	398,471	393,900	58,880	60,300	194,210	202,000	130,961	130,700	33
Stationery and Printing	199,208	200,700	41,263	44,400	86,762	106,000	56,591	62,400	34
Miscellaneous	130,375	148,600	11,603	18,000	78,657	80,300	32,036	34,400	35
TOTAL £.	1,133,268	1,139,900	155,606	167,100	472,071	491,900	308,383	316,700	36
FAMINE-RELIEF AND INSURANCE:									
Famine Relief	1,504	10,000	–	–	5,711	28,000	135	500	37
Construction of Protective Railways	252,275	589,000	278,799	–	415,383	–	–	–	38
Construction of Protective Irrigation Works.	122,982	70,700	31,418	12,500	22,062	34,800	76,584	80,600	39
Reduction of Debt	341,504	673,900	–	–	–	–	–	–	40
TOTAL £.	718,265	1,343,600	310,217	12,500	443,156	62,800	76,719	81,100	41
Carried forward to page 14 £.	17,010,453	18,327,200	2,144,961	1,811,000	3,878,462	3,383,600	4,399,483	4,412,900	42

* The "Interest on Debt" is distributed as follows:

Interest on Debt (other than that charged to Railways and Irrigation Works) as above.	890,861	661,700	596	1,200	758	800	1,030	1,000	
Under Railway Revenue Account	1,939,869	2,154,500	18,066	19,800	–	–	–	–	
Under Irrigation	932,004	966,000	–	–	–	–	–	–	
TOTAL £.	3,762,734	3,782,200	18,662	21,000	758	800	1,030	1,000	

Provinces of *British India*, and in *England*, for 1885-86, compared with the Results of 1884-85—*continued.*
transactions in *India*, including those of "Exchange."]

	Total, India.		England.		Exchange.†		Grand Total.		Heads of Expenditure.
	1884–85.	1885–86.	1884–85.	1885–86.	1884–85.	1885–86.	1884–85.	1885–86.	
	£.	£.	£.	£.	£.	£.	£.	£.	Direct Demands on the Revenue:
1	200,836	231,700	–	–	–	–	200,836	231,700	Refunds and Drawbacks.
2	1,275,442	1,341,800	–	–	–	–	1,275,442	1,341,800	Assignments and Compensations.
									Charges in respect of Collection, viz.:
3	3,362,875	3,384,100	412	332	100	105	3,363,387	3,384,537	Land Revenue.
4	2,962,532	3,104,000	3,305	4,710	803	1,483	2,966,640	3,110,193	Opium (including cost of Production.)
5	449,237	478,600	73	1,722	18	542	449,328	480,864	Salt (including cost of Production).
6	84,844	83,400	45,528	48,543	11,063	15,280	141,435	147,223	Stamps.
7	103,617	87,900	42	886	10	279	103,669	89,065	Excise.
8	50,660	47,100	–	–	–	–	50,660	47,100	Provincial Rates.
9	136,860	131,400	–	–	–	–	136.860	131,400	Customs.
10	12,936	12,700	–	–	–	–	12,936	12,700	Assessed Taxes.
11	674,573	694,700	3,881	2,950	943	929	679,397	698,579	Forest.
12	178,465	185,500	–	–	–	–	178,465	185,500	Registration.
13	9,492,877	9,782,900	53,241	59,143	12,937	18,618	9,559,055	9,860,661	- - - Total.
									Interest:
14	893,245	634,700	2,609,687	2,428,948	634,133	764,563	4,137,065	3,858,211	Interest on Debt,* other than that charged to Railways and Irrigation Works.
15	478,686	458,100	2,970	295	722	93	482,378	458,488	Interest on other Obligations.
16	1,371,931	1,122,800	2,612,657	2,429,243	634,855	764,656	4,619,443	4,316,699	- - - Total.
									Post Office, Telegraph, and Mint:
17	1,125,275	1,160,100	116,798	105,139	28,381	33,095	1,270,454	1,298,334	Post Office.
18	564,041	537,700	180,527	267,791	43,867	84,293	788,435	889,784	Telegraph.
19	74,183	98,000	9,797	22,262	2,380	7,007	86,360	127,269	Mint.
20	1,763,499	1,795,800	307,122	395,192	74,628	124,395	2,145,249	2,315,387	- - - Total.
									Salaries and Expenses of Civil Departments:
21	1,374,909	1,386,000	234,930	262,653	57,086	82,676	1,656,925	1,731,329	General Administration.
22	3,304,631	3,343,500	1,084	1,109	263	349	3,305,978	3,344,958	Law and Justice.
23	2,832,725	2,843,300	–	–	–	–	2,832,725	2,843,300	Police.
24	339,737	335,900	154,656	143,166	37,580	45,065	531,973	524,131	Marine (including River Navigation).
25	1,238,439	1,247,400	280	381	68	120	1,238,787	1,247,901	Education.
26	165,774	165,400	512	609	125	192	166,411	166,201	Ecclesiastical.
27	733,927	741,400	7,880	8,667	1,915	2,728	743,722	752,795	Medical.
28	759,267	1,087,400	31,988	32,859	7,773	10,343	799,028	1,130,602	Political
29	437,958	467,300	15,817	16,511	3,843	5,197	457,618	489,008	Scientific and other Minor Departments.
30	11,187,367	11,617,600	447,147	465,955	108,653	146,670	11,743,167	12,230,225	- - - Total.
									Miscellaneous Civil Charges:
31	635,459	627,700	28,874	22,062	7,016	6,944	671,349	656,706	Territorial and Political Pensions.
32	14,852	6,200	198,275	196,191	48,179	61,755	261,306	264,146	Civil Furlough and Absentee Allowances.
33	782,522	786,900	1,418,741	1,506,051	344,743	474,062	2,546,006	2,767,013	Superannuation Allowances and Pensions.
34	383,824	413,500	129,608	74,537	31,494	23,462	544,926	511,499	Stationery and Printing.
35	252,671	281,300	31,916	31,379	7,755	9,877	292,342	322,556	Miscellaneous.
36	2,069,328	2,115,600	1,807,414	1,830,220	439,187	576,100	4,315,929	4,521,920	- - - Total.
									Famine Relief and Insurance:
37	7,350	38,500	–	–	–	–	7,350	38,500	Famine Relief.
38	946,457	589,000	–	–	–	–	946,457	589,000	Construction of Protective Railways.
39	253,046	198,600	–	–	–	–	253,046	198,600	Construction of Protective Irrigation Works.
40	341,504	673,900	–	–	–	–	341,504	673,900	Reduction of Debt.
41	1,548,357	1,500,000	–	–	–	–	1,548,357	1,500,000	- - - Total.
42	27,433,359	27,934,700	5,227,581	5,179,753	1,270,260	1,630,439	33,931,200	34,744,892	- - - Carried forward to page 15.

* The "Interest on Debt" is distributed as follows:

	893,245	664,700	2,609,687	2,428,948	634,133	764,563	4,137,065	3,858,211	Interest on Debt other then that charged to Railways and Irrigation Works) as above.
	1,957,935	2,174,300	353,326	366,155	85,855	115,255	2,397,116	2,655,710	Under Railway Revenue Account.
	932,004	966,000	–	–	–	–	932,004	966,000	Under Irrigation.
	3,783,184	3,805,000	2,963,013	2,795,103	719,988	879,818	7,466,185	7,479,921	- - - Total.

† *See* foot-note to Statement No. 2, p. 7.

No. 3.—ACCOUNT showing the Estimated Expenditure (Imperial, Provincial, and Local) in each of the

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	INDIA, GENERAL.		CENTRAL PROVINCES.		BRITISH BURMAH.		ASSAM.	
	1884-85.	1885-86.	1884-85.	1885-86.	1884-85.	1885-86.	1884-85.	
	£.	£.	£.	£.	£.	£.	£.	
Brought forward from page 8 - - -	4,664,921	6,626,300	680,201	680,600	1,057,236	991,100	430,526	1
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	*—6,439	–	–	–	–	–	48,848	2
RAILWAY REVENUE ACCOUNT:								
State Railways:								
Working Expenses - - - - - -	*2,597,570	*2,760,300	129,461	153,500	134,468	173,500	725	3
Interest on Debt - - - - - -	1,616,959	1,804,100	37,151	39,300	99,171	107,200	–	4
Annuities in Purchase of Railways - -	–	–	–	–	–	–	–	5
Interest on Capital deposited by Companies.	–	–	–	–	–	–	–	6
Guaranteed Companies:								
Surplus Profits, Land and Supervision -	445,630	423,700	42	–	–	–	–	7
Interest - - - - - - - - -	29,651	4,100	–	–	–	–	–	8
Subsidized Companies:								
Land, &c. - - - - - - -	–	–	–	–	–	–	5,802	9
Advances of Interest - - - - -	–	–	–	–	–	–	–	10
Miscellaneous Railway Expenditure - -	24,719	24,000	657	–	2,334	–	21,729	11
TOTAL - - - £.	4,714,529	5,016,200	167,311	192,800	235,973	280,700	28,256	12
IRRIGATION:								
Major Works:								
Working Expenses - - - - - -	–	–	–	–	–	–	–	13
Interest on Debt - - - - - -	461,452	486,900	–	–	–	–	–	14
Minor Works and Navigation - - -	3,873	7,500	–	–	68,688	39,500	–	15
TOTAL - - - £.	465,325	494,400	–	–	68,688	39,500	–	16
BUILDINGS AND ROADS:								
Military Works - - - - - - -	609,398	644,400	13,866	15,200	46,779	48,500	23,005	17
Civil Works - - - - - - -	* 269,660	216,300	172,602	163,500	251,380	173,300	158,407	18
TOTAL - - - £.	879,058	860,700	186,468	178,700	298,159	221,800	181,412	19
ARMY SERVICES:								
Army:								
Effective - - - - - - -	6,500,930	8,559,100	–	–	–	–	–	20
Non-effective - - - - - - -	383,360	389,400	–	–	–	–	–	21
TOTAL - - - £.	6,884,290	8,948,500	–	–	–	–	–	22
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL - - - £.	17,601,684	21,946,100	1,033,980	1,052,100	1,660,056	1,533,100	689,042	23
Add,—Portion of Allotments to Provincial Governments not spent by them in the year.	–	1,300	34,201	14,400	–	–	–	24
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances.	*—451*	–	–	–	*—97,369*	*—10,000*	*—35,259*	25
TOTAL EXPENDITURE CHARGED AGAINST REVENUE £.	17,601,233	21,947,400	1,068,181	1,066,500	1,562,687	1,523,100	653,783	26
EXPENDITURE NOT CHARGED TO REVENUE:								
Capital Outlay on Railways and Irrigation Works:								
State Railways - - - - - -	*—29,830*	*—526,100*	149,939	325,200	270,347	71,500	–	27
Irrigation Works - - - - - -	* —18	–	–	–	–	–	–	28
Purchase of the Madras Irrigation and Canal Company's Undertaking.	–	–	–	–	–	–	–	29
£.	*—29,848*	*—526,100*	149,939	325,200	270,347	71,500	–	30
Capital Charge involved in Redemption of Liabilities.	–	–	–	–	–	–	–	31

* *See* foot-note (†), page 8.

Provinces of *British India*, and in *England*, for 1885-86, compared with the Results of 1884-85—*contd.*

Transactions in *India*, including those of "Exchange."]

	ASSAM.	BENGAL.		NORTH-WESTERN PROVINCES and OUDH.		CARRIED FORWARD.		HEADS OF EXPENDITURE.
	1885-86.	1884-85.	1885-86.	1884-85.	1885-86.	1884-85.	1885-86.	
	£.	£.	£.	£.	£.	£.	£.	
1	399,700	6,789,023	6,569,800	3,388,546	3,059,700	17,010,453	18,327,200	Brought forward from page 9.
2	27,100	3,310	1,600	38,518	102,400	84,237	131,100	CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance).
								RAILWAY REVENUE ACCOUNT:
3	4,000	495,866	637,200	72,604	85,400	3,430,694	3,813,900	State Railways: Working Expenses.
4	–	171,526	191,900	15,062	12,000	1,939,869	2,154,500	Interest on Debt.
5	–	–	–	–	–	–	–	Annuities in Purchase of Railways.
6	–	–	–	–	–	–	–	Interest on Capital deposited by Companies.
7	–	*—1,554*	1,500	15,174	21,200	459,292	446,400	Guaranteed Companies: Surplus Profits, Land, &c.
8	–	–	–	–	–	29,651	4,100	Interest.
9	10,000	17,468	14,500	16,281	23,300	39,551	47,800	Subsidized Companies: Land, &c.
10	–	–	–	–	–	–	–	Advances of Interest.
11	21,500	39,857	28,300	448	300	89,744	74,100	Miscellaneous Railway Expenditure.
12	35,500	723,163	873,400	119,569	142,200	5,988,801	6,540,800	- - - TOTAL.
								IRRIGATION:
13	–	117,975	116,700	220,492	216,900	338,467	333,600	Major Works: Working Expenses.
14	–	221,263	225,400	249,289	253,700	932,004	966,000	Interest on Debt.
15	–	151,025	156,000	24,310	23,100	247,896	226,100	Minor Works and Navigation.
16	–	490,263	498,100	494,091	493,700	1,518,367	1,525,700	- - - TOTAL.
								BUILDINGS AND ROADS:
17	18,100	15,346	2,500	4,697	8,200	713,091	736,900	Military Works.
18	126,800	785,294	710,500	589,814	576,400	2,227,157	1,966,800	Civil Works.
19	144,900	800,640	713,000	594,511	584,600	2,940,248	2,703,700	- - - TOTAL.
								ARMY SERVICES:
20	–	–	–	–	–	6,500,930	8,559,100	Army: Effective.
21	–	–	–	–	–	383,360	389,400	Non-effective.
22	–	–	–	–	–	6,884,290	8,948,500	- - - TOTAL.
23	607,200	8,806,399	8,655,900	4,635,235	4,382,600	34,426,396	38,177,000	TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL.
24	13,700	39,639	44,500	–	–	73,840	73,900	*Add*,—Portion of Allotments to Provincial Governments not spent by them in the year.
25	–	–	–	*—65,481*	*—233,400*	*—198,560*	*—243,400*	*Deduct*,—Portion of Provincial Expenditure defrayed from Provincial Balances.
26	620,900	8,846,038	8,700,400	4,569,754	4,149,200	34,301,676	38,007,500	TOTAL EXPENDITURE CHARGED AGAINST REVENUE.
								EXPENDITURE NOT CHARGED TO REVENUE:
								Capital Outlay on Railways and Irrigation Works:
27	–	783,390	569,000	275,981	*—456,600*	1,449,827	*—17,000*	State Railways.
28	–	115,560	87,900	109,208	110,000	224,750	197,900	Irrigation Works.
29	–	–	–	–	–	–	–	Purchase of the Madras Irrigation and Canal Company's Undertaking.
30	–	898,950	656,900	385,189	*—346,600*	1,674,577	180,900	
31	–	–	–	–	–	–	–	Capital Charge involved in Redemption of Liabilities.

No. 3.—ACCOUNT showing the Estimated Expenditure (Imperial, Provincial, and Local) in each of the

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	BROUGHT FORWARD.		PUNJAB.		MADRAS.		BOMBAY.	
	1884–85.	1885–86.	1884–85.	1885–86.	1884–85.	1885–86.	1884–85.	1885–86.
	£.	£.	£.	£.	£.	£.	£.	£.
Brought forward from page 10 - - -	17,010,453	18,327,200	2,144,961	1,811,000	3,878,462	3,383,600	4,399,483	4,412,900
CONSTRUCTION OF RAILWAYS (charged against Revenue, in addition to that under Famine Insurance).	84,237	131,100	172,403	500,000	6,861	–	–	–
RAILWAY REVENUE ACCOUNT:								
State Railways:								
Working Expenses - - - - -	3,430,694	3,813,900	681,736	848,700	–	–	100,466	77,500
Interest on Debt - - - - -	1,939,869	2,154,500	18,066	19,800	–	–	–	–
Annuities in purchase of Railways -	–	–	–	–	–	–	–	–
Interest on Capital deposited by Companies.	–	–	–	–	–	–	118,170	300
Guaranteed Companies:								
Surplus Profits, Land, and Supervision	459,292	446,400	6,904	8,800	10,110	25,300	16,646	13,000
Interest - - - - - - -	29,651	4,100	–	–	–	–	–	–
Subsidized Companies:								
Land, &c. - - - - - - -	39,551	47,800	–	–	–	–	–	–
Advances of Interest - - - -	–	–	–	–	–	–	–	–
Miscellaneous Railway Expenditure -	89,744	74,100	1,485	23,200	*—36*	4,600	6,361	1,000
TOTAL - - - £.	5,988,801	6,540,800	708,191	900,500	10,074	29,900	241,643	91,800
IRRIGATION:								
Major Works:								
Working Expenses - - - - -	338,467	333,600	105,488	124,200	99,900	104,600	27,925	30,900
Interest on Debt - - - - -	932,004	966,000	–	–	–	–	–	–
Minor Works and Navigation - - -	247,896	226,100	54,749	56,600	286,928	301,500	155,546	161,700
TOTAL - - - £.	1,518,367	1,525,700	160,237	180,800	386,828	406,100	183,471	192,600
BUILDINGS AND ROADS:								
Military Works - - - - - -	713,091	736,900	25,139	21,000	61,175	46,700	143,939	180,800
Civil Works - - - - - -	2,227,157	1,966,800	397,241	399,800	698,538	635,800	654,284	610,300
TOTAL - - - £.	2,940,248	2,703,700	422,380	420,800	759,713	682,500	798,223	791,100
ARMY SERVICES:								
Army:								
Effective - - - - - - -	6,500,930	8,559,100	–	–	2,360,946	2,806,100	2,339,956	2,678,100
Non-effective - - - - - -	383,360	389,400	–	–	290,815	288,500	147,622	152,200
TOTAL - - - £.	6,884,290	8,948,500	–	–	2,651,761	3,094,600	2,487,578	2,830,300
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL - - - - - £.	34,426,396	38,177,000	3,608,172	3,813,100	7,693,699	7,596,700	8,110,398	8,318,700
Add,—Portion of Allotments to Provincial Governments not spent by them in the year.	73,840	73,900	–	20,700	–	35,400	–	227,300
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances.	*—198,560*	*—243,400*	*—24,464*	–	*—123,531*	–	*—16,229*	–
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - - - £.	34,301,676	38,007,500	3,583,708	3,833,800	7,570,168	7,632,100	8,094,169	8,546,000
EXPENDITURE NOT CHARGED TO REVENUE:								
Capital Outlay on Railways and Irrigation Works:								
State Railways - - - - - -	1,449,827	*—17,000*	641,411	1,979,600	88,658	582,400	6,677	1,900
Irrigation Works - - - - -	224,750	197,900	231,509	217,400	160,014	149,000	78,647	46,400
Purchase of the Madras Irrigation and Canal Company's Undertaking.	–	–	–	–	–	–	–	–
£.	1,674,577	180,900	872,920	2,197,000	248,672	731,400	85,324	48,300
Capital Charge involved in Redemption of Liabilities.	–	–	–	–	–	–	–	–

Calcutta, Comptroller General's Office, 17 May 1886.
India Office, 11 June 1886.

Provinces of *British India* and in *England* for 1885-86, compared with the Results of 1884-85—*continued.*

Transactions in *India*, including those of "Exchange."]

	Total, India.		England.		Exchange.*		Grand Total.		Heads of Expenditure.
	1884-85.	1885-86.	1884-85.	1885-86.	1884-85.	1885-86.	1884-85.	1885-86.	
	£.	£.	£.	£.	£.	£.	£.	£.	
1	27,433,359	27,934,700	5,227,581	5,179,753	1,270,260	1,630,439	33,931,200	34,744,892	- - - Brought forward from page 11.
2	263,501	631,100	–	–	–	–	263,501	631,100	Construction of Railways (charged against Revenue, in addition to that under Famine Insurance).
									Railway Revenue Account:
									State Railways:
3	4,212,896	4,740,100	–	–	–	–	4,212,896	4,740,100	Working Expenses.
4	1,957,935	2,174,300	353,326	366,155	85,855	115,255	2,397,116	2,655,710	Interest on Debt.
5	–	–	1,220,582	1,324,031	296,592	416,767	1,517,174	1,740,798	Annuities in purchase of Railways.
6	118,170	300	–	195,886	–	61,659	118,170	257,845	Interest on Capital deposited by Companies.
									Guaranteed Companies:
7	492,952	493,500	–	–	–	–	492,952	493,500	Surplus Profits, Land, &c.
8	29,651	4,100	3,217,240	3,180,735	781,763	1,001,204	4,028,654	4,186,039	Interest.
									Subsidized Companies:
9	39,551	47,800	–	–	–	–	39,551	47,800	Land, &c.
10	–	–	36,395	–	8,844	–	45,239	–	Advances of Interest.
11	97,554	102,900	–	–	–	–	97,554	102,900	Miscellaneous Railway Expenditure.
12	6,948,709	7,563,000	4,827,543	5,066,807	1,173,054	1,594,885	12,949,306	14,224,692	- - - Total.
									Irrigation:
									Major Works:
13	571,780	593,300	–	–	–	–	571,780	593,300	Working Expenses.
14	932,004	966,000	–	–	–	–	932,004	966,000	Interest on Debt.
15	745,119	745,900	65	449	16	141	745,200	746,490	Minor Works and Navigation.
16	2,248,903	2,305,200	65	449	16	141	2,248,984	2,305,790	- - - Total.
									Buildings and Roads:
17	943,344	985,400	5,071	8,711	1,232	2,742	949,647	996,853	Military Works.
18	3,977,220	3,612,700	66,300	71,918	16,110	22,638	4,059,630	3,707,256	Civil Works.
19	4,920,564	4,598,100	71,371	80,629	17,342	25,380	5,009,277	4,704,109	- - - Total.
									Army Services:
									Army:
20	11,201,832	14,043,300	1,614,138	1,999,439	392,222	629,366	13,208,192	16,672,105	Effective.
21	821,797	830,100	2,360,284	1,693,330	573,530	533,012	3,755,611	3,056,442	Non-effective.
22	12,023,629	14,873,400	3,974,422	3,692,769	965,752	1,162,378	16,963,803	19,728,547	- - - Total.
23	53,838,665	57,905,500	14,100,982	14,020,407	3,426,424	4,413,223	71,366,071	76,339,130	Total Expenditure, Imperial and Provincial.
24	73,840	357,300	–	–	–	–	73,840	357,300	*Add*,—Portion of Allotments to Provincial Governments not spent by them in the Year.
25	*—362,784*	*—243,400*	–	–	–	–	*—362,784*	*—243,400*	*Deduct*,—Portion of Provincial Expenditure defrayed from Provincial Balances.
26	53,549,721	58,019,400	14,100,982	14,020,407	3,426,424	4,413,223	71,077,127	76,453,030	Total Expenditure charged against Revenue.
									Expenditure not charged to Revenue:
									Capital Outlay on Railways and Irrigation Works:
27	2,186,573	2,546,900	1,077,705	1,787,175	261,874	562,551	3,526,152	4,896,626	State Railways.
28	694,920	610,700	3,756	4,450	912	1,401	699,588	616,551	Irrigation Works.
29	–	–	702	2,144	171	675	873	2,819	Purchase of the Madras Irrigation and Canal Company's Undertaking.
30	2,881,493	3,157,600	1,082,163	1,793,769	262,957	564,627	4,226,613	5,515,996	
31	–	–	1,314,746	1,086,045	–	–	1,314,746	1,086,045	Capital Charge involved in Redemption of Liabilities.

* *See* foot-note to Statement No. 2, page 7.

E. T. Atkinson, Officiating Comptroller General,
Thos. W. Keith, Accountant General.

ESTIMATE

OF

REVENUE AND EXPENDITURE

OF THE

GOVERNMENT OF INDIA

For the Year 1885-86,

COMPARED WITH THE RESULTS OF 1884-85.

(Presented pursuant to Act 21 & 22 Vict. c. 106.)

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OF

INDIAN FINANCIAL STATEMENT

FOR

1886-87.

India Office,
28 May 1886.

J. A. GODLEY,
Under Secretary of State for India.

(*Lord George Hamilton.*)

Ordered, by The House of Commons, *to be Printed*,
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172.

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FINANCIAL STATEMENT

FOR

1886-87.

1. THE present situation and the immediate prospects of Indian finance have so recently formed the subject of explanation in the Legislative Council that much which would otherwise have needed explanation in this Financial Statement has been in great measure anticipated. The broad facts of the case, so far as the action of the Government is concerned, are that, on the one hand, we have brought on to our Estimates, from the commencement of 1886-87, provision designed to meet an increase to our expenditure which ultimately will be not less than 2,000,000 *l.*, in connection with military charges and the interest on the capital expended on strategic railways and frontier works, and that, on the other, we have added about 800,000 *l.* to our resources by converting the license tax into a tax upon non-agricultural incomes. Were this the only new aspect of our position the prospect would be sufficiently clear. But, unhappily, outside these changes, the position, as was explained in January, is very much complicated by the absolute uncertainty which hangs over the silver market. The fact that India, whose currency and revenue are in silver, has incurred heavy obligations in gold, has introduced into our financial situation, since the fall of silver commenced, an element which experience shows to be one of the most serious dangers with which Indian administration has been hitherto menaced. This difficulty of silver is not new, but it has lately reached a point beyond all previous experience; and it is more felt in proportion as we pursue a more active policy in regard to public works, such as military and other considerations have lately led us to adopt. Our requirements of all kinds are increasing, whether for material for our railways, or for sterling loans to enable us to construct them; but, owing to the fall in the value of silver as compared with gold, our power of meeting our engagements, without the adoption of measures calculated to derange and cripple our administration, is constantly diminishing. Owing, further, to the oscillation in the silver market, there is now little practical control over surplus, equilibrium, or deficit, in the Indian Budget.

Financial situation explained in the debate on the Income Tax Bill in January. Increased revenues and expenditure. The silver difficulty.

2. The effect of this uncertainty is in many ways prejudicial. Apart altogether from the difficulties which it forces upon us, it throws doubt and discredit on our financial position and on the sufficiency of our resources, and must tend, therefore, to depreciate our credit in the money market. The Estimates are framed for the ensuing year at 1 *s.* 6 *d.*; and, on the supposition that the rupee will remain at 1 *s.* 6 *d.*, we of the Financial Department believe that our Estimates will be justified by experience. But neither we, nor anyone else, can feel any assurance of any kind whatever that the rupee will remain at 1 *s.* 6 *d.* That depends on a variety of considerations which lie altogether outside the hands of the Government of India. It is probable, for example, that the success or failure of the present Budget, so far as concerns its exhibit of surplus or of deficit, will be determined, not in the working of the departments of the Government of India, but by the decision taken at Washington in regard to the coinage of silver in America. The mere fact of surplus or deficit on an Indian Budget, in the conditions in which it has now-a-days to be calculated, is very little index to the prudence or foresight with which that Budget has been prepared. If during the course of the year silver suddenly falls (as of late it has fallen), the best calculations are at once defeated. Nor is this all. Provision, not for one year,

but for a longer term, in other words, taking stock or framing a forecast of our financial position, is impracticable, because at any time we may find resources which we had every reason to believe sufficient swallowed up to meet the increased exigencies of exchange. So long as there seemed any possibility that silver would recover, it was possible to maintain some feeling of hopefulness. Circumstances favoured us shortly after the first few years of the silver difficulty. The capital expended on railway construction began to bear fruit. India entered as a formidable competitor into the European markets. Prices of commodities in general in Europe, and with the prices of other commodities the price of silver, showed temporary symptoms of recovery in 1880 and 1882. But with the return of the progressive fall in general prices in 1883 silver fell too, sharing with other commodities the depressing effect of the growing appreciation of gold. There are no indications at present of the recovery of prices of commodities in general in their ratio to gold, and we cannot, therefore, anticipate any such stimulus to the rate of exchange as would result from a general rise of prices in the countries which take our exports. On the other hand, some of the causes which maintain silver at its present price may be removed; should any of these causes cease to act, the downward progress of silver prices will probably be, for a time at least, more considerable than hitherto. Hence there is too much ground for believing that the more hopeful views which may have been entertained from the seeming recoveries of 1880 and 1882, and which still linger in many minds, have now no reasonable basis; and that at a time when silver remains far below any previous experience, and when we are compelled to make considerable unproductive additions to our expenditure. It is, therefore, impossible for those who are responsible for the administration of India to take a sanguine view of the effects of the fall in silver upon the country, or to establish a distinction between the material interests of the country and its fiscal interests. Opinions differ widely as to the effect on the general prosperity of the country of the fall in the gold value of the rupee; the returns of the Income Tax, when received, will very possibly throw some light on the question of the material progress of India during recent years. So far as the wealth of the country depends on improvement in its railway communication, on the extension of our power of bringing our produce to the seaboard, and on the strengthening of our credit, the fall in silver, by intensifying the difficulties of the Government in respect of exchange and of loans, and thereby crippling our available resources, is unquestionably detrimental. So far as it introduces a growing element of uncertainty into transactions, whether of the Government or of commerce, it is also injurious.

Equilibrium of India Budgets dependent on oscillations in and price of silver, which shows no symptoms of recovery.

3. The wide divergence of the value of the rupee from 2 *s.* has rendered it impossible to maintain any longer in our accounts the fiction that 1 rupee is equal to 2 *s.*, and the accounts and Estimates attached to the present Statement are framed on the supposition that the rupee is worth simply what it will fetch, which is the actual rate of exchange obtained by the Secretary of State for bills and transfers sold during the year.

Change in the mode of exhibiting exchange introduced into the accounts with the present Budget.

4. Before going further, it is necessary to explain at some little length the important change which has been made in the method of combining in the accounts the sterling and rupee transactions of the Government of India. It will be convenient to give a brief summary of the methods which have been hitherto adopted at different times for this purpose. Up to 1855 the accounts connected with British India submitted to Parliament were stated in rupees so far as related to transactions in India, and in sterling so far as related to transactions in England, a general abstract being given in which rupees were converted into sterling at the rate of 2 *s.* per sicca rupee (equal to 1 *s.* 10$\frac{1}{2}$ *d.* per Company's rupee); the final surplus or deficit was stated in sterling money. In the accounts for 1854–55, and subsequent years, rupees were converted into sterling at 1 *s.* 10$\frac{1}{2}$ *d.* per Company's rupee, and this course was followed till 1859. In that year the Secretary of State for India directed that the rate should be 2 *s.* per rupee, mainly on the ground that the rate fixed for the adjustment of transactions between the British and Indian Governments for 1859-60 was 2 *s.*, while the commercial rate was still higher. The rate of 2 *s.* per rupee was not inappropriate at the time it was first adopted, and has in practice been maintained up to the present year, the entries regarding rupee and sterling transactions having been combined as if 10 rupees were equal

to

to one pound sterling. This method of combining rupee and sterling transactions, though it is not without some advantages, has been for many years inaccurate and misleading.

5. For instance, if 10,000 rupees were spent in India under a particular head, and 500 *l.* sterling were spent in England, the total sum shown in the accounts as expended was 1,500 *l.* It would be impossible for anyone who had not access to the original documents to say what this sum of 1,500 *l.* really represented. It was not 1,500 pounds sterling, and it was not 15,000 rupees. The entry, in fact, involved an error which increased in magnitude in proportion to the amount by which the value of the rupee fell below 2 *s.* In adjustment of all such errors, an entry of loss by exchange was made in the expenditure account of each year. Thus, in the case above stated, the real amount of expenditure, taking the rupee at 1 *s.* 6 *d.*, was 10,000 rupees + 6,666 rupees, or 16,666 rupees; as the amount shown as expended was only 15,000 rupees, the difference would be adjusted by a separate entry of 1,666 rupees under exchange. Using the ordinary Indian notation, under which 10 rupees = 1 *l.*, the entries in the accounts became 1,500 *l.* under the particular general head of expenditure, and 167 *l.* under the adjusting head of exchange. Whatever the advantages of this system of accounting may have been, it must be admitted that, so long as it was followed, the separate entries of expenditure in the accounts were frequently incorrect in themselves, and therefore misleading, although the total expenditure was rendered with approximate accuracy by means of the adjusting entry under exchange. Moreover, the adjusting entry was not necessarily a complete adjustment. For instance, if the Government of India did not remit to England in any year a sufficient amount of money to meet the home expenditure of the year, the adjustment was too small by the exchange on the sum short remitted. On the other hand, the adjusting entry frequently included items of loss by exchange which were not a proper charge against revenue.

6. The evils of such a system of accounting are obvious. The entries under some of the service heads of expenditure are unduly reduced, and the general entry under exchange is sometimes too large and sometimes too small. The Government of India has long been of opinion that a change was necessary, and proposed in 1872, as well as on various subsequent dates, to introduce a different system. I am glad to say that the matter has at length been finally settled with the concurrence of Her Majesty's Secretary of State for India. The Estimates of the coming year are presented according to the new system, the essential feature of which is that the pound sterling is converted into rupees at the actual average rate of exchange for the year, and that the only loss or gain by exchange, other than the exchange added to the figures of gold transactions in order to reduce them to rupees, shown in the revenue and expenditure account, is the real loss or gain which is due to a transaction being carried out, under contract or as a concession, at a fixed rate of exchange which differs from the actual rate of the year. A short illustration will explain the exact nature of the gain or loss due to a transaction being carried out at a rate of exchange other than the actual rate of the time. If, for instance, in 1886-87 the Government of India should allow an officer to remit 100 *l.* out of his pay to England at the rate of 1 *s.* 6¼ *d.*, while the actual average rate of the year should be 1 *s.* 6 *d.* only, there will be a real loss of 18 rupees, arising in the following manner: at the rate of 1 *s.* 6¼ *d.* Government accepts 1,315 rupees as the equivalent of 100 *l.* true sterling, and it pays this sum in England to the officer's representative, though at an exchange of 1 *s.* 6 *d.* the sum of 100 *l.* has cost it 1,333 rupees. In other words, Government receives 1,315 rupees and pays out 1,333 rupees, and actually loses 18 rupees by the transaction. The total net loss or gain involved in transactions of this nature is not very great, though the actual transactions in connection with railway companies, which are adjusted at contract rates of exchange, are of very considerable magnitude. The amount of real gain or loss which will in future be shown in the revenue and expenditure accounts will be included under a head called "Exchange," which will now be of comparatively minor importance. The amount so entered as a charge in the Estimates of 1886-87 is only 137,700 *l.* It is not desirable, in connection with the change now made, to enter into an elaborate explanation of the extremely complicated nature of our exchange transactions, due mainly to the contracts with the railway companies. It will suffice if the reader will bear in mind the fact that, in our

General Accounts, sterling will in future be converted into rupees at the actual average rate of the year, that the only other gain or loss by exchange shown in these accounts is the true gain or loss due to the Government conducting certain special transactions at rates which vary more or less from the actual average rate, and that consequently the general account of our revenue and expenditure is a silver or rupee account, although, for the convenience of the English reader, we may use the sterling notation.

7. In other words, the reader, when he comes across an entry of 1,500 *l.* in the general account for England and India, will know that it represents exactly 15,000 rupees, and that it is not made up of an unknown number of pounds sterling, and an equally unknown number of rupees converted into pounds at an arbitrary rate of 10 rupees = 1 *l.* The reform will simplify the keeping of capital accounts for the different railways, and will enable the true profit or loss on each railway to be ascertained more readily than can be done under the existing system. It has been necessary, for purposes of comparison, to recast the accounts of 1884-85, and to prepare the Revised and Budget Estimates of 1885-86, in a form corresponding to that adopted for the Estimates of 1886-87; and for the same reason the accounts for the past 10 years have been recast, and are published as an Appendix to this Statement. From the explanation given in the foregoing remarks, it will be readily understood that, as the exchange on all transactions is now exhibited in the accounts of the year, and not merely the exchange on the sums drawn during the year by the Secretary of State (which bears no necessary immediate correspondence to the transactions), the final issue of the year's operations, as exhibited in surplus or deficit, may be to some extent modified.

8. A change has also been made in the method of dealing in the general accounts with the transactions connected with railways and irrigation works, which requires some explanation.

Hitherto capital expenditure on railways has been shown in the accounts under four different heads, namely,—

Protective Railways, under the grant for Famine Relief and Insurance;
Frontier Railways;
Productive Railways (not charged against Revenue);
State Railways; under this head was shown all capital railway expenditure not included in the three heads just enumerated.

The Parliamentary Committee which sat on Indian Railways in 1884 reported that the technical distinction between productive and protective railways could not be maintained, and it has consequently been decided to treat the capital expenditure on Indian railways on a uniform plan.

9. For special reasons, connected with the nature of the grant for famine relief and insurance, it is necessary to show separately the capital expenditure on railways which is charged against this grant; but all other capital expenditure on Indian railways (whatever may be the object with which the railway is constructed) will in future be divided into two classes, according as it is charged against revenue or borrowed money, and the corresponding heads in the accounts will henceforth be "37. Construction of Railways (charged against Revenue in addition to that under Famine Insurance)," and "47. State Railways (Construction and Redemption of Liabilities);" expenditure under the latter head will be charged outside the ordinary revenue and expenditure account.

10. A somewhat similar change has been made in the mode of dealing with the revenue account of all railways. Hitherto the revenue accounts of Indian railways have been divided into three classes; one for railways technically known as productive, and including the transactions connected with the working of productive State railways and guaranteed railways, the other for State railways not technically known as productive, and the third for subsidised railways. The latter account was not a proper revenue account of the railway as a working concern, but an account showing how the public revenues were affected by the contracts with subsidised railways; the same remark is applicable, though in a less degree, to the entries on account of guaranteed railways.

11. In

11. In future there will be but one revenue account for all railways, and this account will be in the following form :—

Revenue.	Expenditure.
XXVI.—State Railways (Gross Traffic Receipts).	38.—State Railways: Working Expenses. Interest on Debt. Annuities in Purchase of Railways. Interest on Capital deposited by Companies.
XXVII.—Guaranteed Companies (Net Traffic Receipts).	39.—Guaranteed Companies: Surplus Profits, Land, and Supervision. Interest.
XXVIII.—Subsidized Companies (Repayment of advances of Interest).	40.—Subsidised Companies: Land, &c. Advances of Interest.
	41.—Miscellaneous Railway Expenditure.

12. By bringing together all current receipts and expenditure on account of railways, and by adding to the figures of sterling transactions in England the exchange necessary to convert them into rupees, at the actual average rate of the year (as already explained), a means is provided for enabling the public to ascertain readily and correctly the financial effect of the general railway policy of the Government of India. The Government of India was willing to go even further in simplifying the record in the main accounts of the financial results of our railway policy, and would, practically, have reduced the entries on the revenue account of railways to a single net entry; but the Secretary of State, after considering the arguments on both sides, has decided that these transactions may more appropriately be shown in greater detail. If the suggestion of the Government of India had been accepted, the details of the results of the working of the railways would have been shown in subsidiary statements.

13. Changes similar to those made in the case of railways have also been introduced in connection with productive irrigation works, as well as for all other important irrigation works for which complete revenue and capital accounts are kept.

14. In future, the capital expenditure on such works will be shown exactly like that on railways, (1) under the grant for famine relief and insurance, (2) as a charge against ordinary revenue, or (3) as a charge against loan. The financial results of working will be shown under the following heads:—

Revenue.	Expenditure.
XXIX.—Major Works: Direct Receipts. Portion of Land Revenue due to Irrigation.	42.—Major Works: Working Expenses. Interest on Debt.

All other expenditure on irrigation and navigation, excluding capital expenditure on major works for which complete capital and revenue accounts are kept, will be shown under the new heads of XXX. and 43, "Minor Works and Navigation."

15. I also wish to call attention to the fact that receipts by the Government of India in the form of interest have now been removed from the head of "Miscellaneous," and shown under a separate major head. The main accounts

of the Government will now show on their face the total receipts and expenditure, in rupees, of the Government, on account of interest on money lent, borrowed, or invested, and will also explain the extent to which debt has been incurred for the purpose of constructing railways and the great irrigation works. Thus, in round numbers, the total charge for interest in 1886-87 is estimated to be 798 lakhs of rupees, of which 310 lakhs is due to construction of railways, and 100 lakhs to expenditure on great irrigation works, while the balance of 388 lakhs is on account of general debt. On the opposite side of the account there will be receipts in the form of interest amounting to 64 lakhs, of which, however, 25 lakhs is derived from the paper currency investment.

16. The Government of India and the public are indebted, for the prosecution and completion of the great reform in our accounts which I have now described, to Mr. Barbour, the Secretary to the Government in this Department, to Mr. Gay, Acting Comptroller General, and to Colonel Filgate, R.E., Accountant General in the Department of Public Works, in conjunction with Mr. Westland, Comptroller General, and Mr. Waterfield, C.B., Financial Secretary at the India Office. Apart from the labour inseparable from the rearrangement of the accounts, the settlement of this question has involved decisions on a variety of points of great intricacy and complexity, in respect of which the experience and judgment of the officers I have named have been quite invaluable.

Accounts of 1884-85.

Accounts of 1884-85.

17. The accounts of 1884-85 give the following results:—

	£.
Revenue - - - - - - - - - -	70,690,681
Expenditure - - - - - - - - - -	71,077,127
Deficit - - - £.	386,446

The deficit on the Revised Estimates of 1884-85 amounted to 716,200 *l.*, according to the former method of exhibiting exchange; and the deficit on the accounts, if they had been prepared according to the same method, would have been 149,735 *l.*, the difference between that figure and the deficit above exhibited being due to the change in the form of the accounts. It was said in the debate on the Income Tax Bill that the accounts then about to close were likely to show equilibrium; and the above small deficit of 149,735 *l.*, as the outcome of transactions exceeding in the aggregate 70,000,000 *l.* on each side of the account, may reasonably be regarded as exhibiting an even balance, during the year, of revenue and expenditure. The detailed figures of the year's accounts are examined in the Appropriation Audit Report, which will be published in the "Gazette of India" of the 27th instant, and need not be commented upon here, further than to say that after the year had closed it was found that, owing to the Rawalpindi Durbar and other causes, railway receipts had considerably improved during March, and that the receipts from salt were unusually large during the same month, while arrears of land revenue which had been expected, owing to remissions and suspensions in the Madras and Bombay Presidencies, proved less than had been anticipated.

1884-85 the last year of undisturbed financial prosperity.

18. The year 1884-85 was, however, the last year in which a balance of revenue and expenditure, on the basis determined by the arrangements of 1882-83, was to be maintained. The changes of 1882-83 were followed by the equilibrium of the finances for three years, and, but for the extraordinary war expenditure of 1885-86, the arrangements then brought into force would have held good for a fourth year. But with the latter year the old order of things abruptly passed away. At the time the Budget of 1885-86 was presented, it had already become possible that it would not be many weeks old before it would need to be entirely re-cast, so far as concerned its military estimates. The military preparations made during 1885-86 were on far too large a scale to admit of the expectation that they would be in any sensible degree balanced by reductions of civil expenditure

diture during the year; and the main question of any interest to the public connected with the estimates of 1885–86 that now remains is, how far, military expenditure apart, the estimates have been borne out by the results of the year, so far as they can at present be determined; in other words, how far results as at present known have justified the calculations in the Budget, considered apart from the disturbing element of war preparations, and regarded as the last of the four Budgets prepared upon the lines of 1882.

Revised Estimates, 1885-86.

19. The Revised Estimates of 1885–86 give the following results:— Revised Estimates of 1885–86.

	£.
Receipts	73,598,100
Expenditure	76,488,900
Deficit £.	2,890,800

The deficit of 1885–86 is thus 2,890,800 *l.*, which is entirely due to the excess expenditure caused by the military preparations of the year, increased political expenditure, and the cost of the Expedition to Burma. A few figures will make this clear. Deficit of 1885–86 entirely due to the military operations of the year, and to the Expedition to Burma.

20. The estimated military expenditure of 1885–86 was 16,674,600 *l.*, the actual expenditure promises to be 19,724,300 *l.*, an increase of 3,049,700 *l.* Of this increase, 221,900 *l.* is due to the fall in the rate of exchange, which added to the rupee cost of the home expenditure, leaving 2,827,800 *l.* as the increase due to the army during the current year. This amount is less than the deficit of the year by only 63,000 *l.*, and, if we take into account the increased political expenditure of 463,200 *l.* caused by the complications of 1885–86, it will be seen that, had it not been for the difficulties on our north-west frontier and the Expedition to Burma, the year would have ended with a surplus of 400,200 *l.* As this is rather more than the amount of economies in Imperial expenditure which, in consequence of military preparations, were enforced during the course of the present year, it is obvious that, but for political and military complications, the year would have ended with financial equilibrium.

21. The Estimates, whether of Revenue or Expenditure, so far as they were independent of war, exchange, the traffic on what is now a vast railway system, and the very uncertain element of opium, have been very closely realised in the year 1885–86. The Imperial share of the Revenue for 1885-86 was estimated at 51,843,600 *l.*; the Revised Estimates show a Revenue of 52,921,600 *l.*, or an increase of 1,078,000 *l.*, which is due, to the extent of 955,300 *l.*, to increased railway traffic and consequent improvement in receipts from railways. Apart, therefore, from the receipts from railways, the actual Revenue, so far, promises to differ from the Estimated Revenue by only 122,700 *l.* Under "Principal Heads of Revenue," which is by far the most important head of receipt, against an Estimated Revenue of 35,347,400 *l.* the Revised Estimate gives 35,057,700 *l.* a difference of 289,700 *l.*, or ·8 per cent. only. On the other side of the account, the expenditure of 1885–86 was estimated at 51,197,000 *l.*; the expenditure in the Revised Estimates comes to 55,812,400 *l.*, a difference of 4,615,400 *l.*, Deducting from this 2,827,800 *l.* on account of increased military expenditure, 463,200 *l.* on account of increased political expenditure, 630,800 *l.* for the abnormal crop of opium, and 522,600 *l.* on account of working expenses of railways due to increased traffic, 4,444,400 *l.* in all, we get a balance of only 171,000 *l.* to set against so much of the increased loss by exchange as is not included in the figures above given.

Budget Estimates, 1886-87.

Estimates of 1886-87.

22. The Estimates for 1886-87 are as follows:—

	£.
Revenue	75,798,700
Expenditure	75,616,500
Surplus £.	182,200

23. Since the Estimates for 1885-86 were presented, it has been already pointed out, and cannot be too carefully borne in mind, that Indian administration and finance have entered into a new phase. The brief period of rest which the country had enjoyed since 1882 has drawn to a close. If the immediate dangers which lately threatened us have passed away, they have left behind them with the Government of India the responsibility of preparing for their possible recurrence at a future time. By the events of late years in Central Asia, India finds herself almost in contact with one of the Great European Powers, and she cannot hope to escape the necessity which the position imposes on her of increasing her military strength. We have been compelled to take this year a large addition to our military estimates, and to increase the provision of interest on loan capital to be expended on frontier railways and works. We have before us the prospect of further expenditure in connection with these objects; and what may be in store for us in respect of exchange no one can foresee. Enough has been said here to show that, since the estimates were framed last year, the apprehensions which were then expressed have been fully justified. Events, then impending, have occurred, which have changed, as it was known they must change, the face of our estimates, and have thrust us violently out of the peaceful path of internal progress in which we had hoped to have been left undisturbed. It is a rude awakening from the hopes of 1882. To the cost of the measures necessary for the protection of the country from famine, the Government has been compelled to add provision for the requirements of the circumstances in which, by the course of recent events beyond its frontier, it finds itself placed. It believes that the resources at its command are sufficient to enable it to meet the demands likely to be made upon them; but, in order to understand how important to its interests is the settlement of the silver question, it is desirable to examine a little carefully the nature of these demands. So long as sanguine or imperfect views are entertained of the obligations of the Government, or of its capacity to meet them, so long will the importance to its finances of the question of exchange continue to be underrated and understated. The Government of India could, for example, find an escape from difficulty, by deferring the construction of what are known as its famine railways; or it might postpone or cancel the measures which, nevertheless, it considers essential to the security of the country. But, so long at least as experience has not finally proved it impossible to arrive at a satisfactory settlement of the silver difficulty, the Government must necessarily feel extreme reluctance to incur the very grave responsibilities which any such decision would place upon it.

Increased expenditure rendered obligatory. Change in the situation since the commencement of 1885.

24. A few words will probably be sufficient to explain more fully our position as it was at the close of the epoch now unhappily terminated, and as we now find it. The year 1885 found the Government of India embarked upon an extensive programme of railway construction, having for its object the prevention or mitigation of the horrors of famine, and the improvement of our internal communications, the speedy completion of which is of the highest importance at any time to India, but is especially important at a time when the growth of our railway revenue is necessary to us to countervail in some measure the disastrous effect on our Budget of the progressive fall in silver. The Government at the time calculated, and had the best grounds for calculating, that it could prosecute these works to completion, and confidently devote the capital which they required to the security and the resources of the country, without imposing any additional burden.

burden. The revenues, in spite of large remissions of taxation, had been estimated on a basis of exchange which, after causing in past years much anxiety, had for some time shown itself tolerably stable. The seasons, on the whole, had been excellent, and our foreign trade, which had temporarily declined, showed every symptom of revival. But before a quarter of the year had elapsed our brief prosperity had disappeared. We were compelled, in view of the war which threatened us, to suspend some of the railway works in progress. These works, it is true, were very shortly resumed, but not before the programme of which they formed part had been subjected to great modifications in view of the necessity thrust upon us for large capital expenditure in connection with strategic railways and military frontier works. To the programme of railways presented to the Parliamentary Committee on Indian Railways which sat in 1884, which was estimated at that time to cost 28,262,000*l.* after 1883-84, and to be capable of completion in five years, we were compelled to add, before two-thirds of 1885 were over, other works of a military character, including frontier railways and coast and land defences, which are of so great importance as to take precedence of many of the internal lines previously decided upon, and the cost of which may probably amount to as much as 12,000,000*l.* Much of the expenditure necessary in this class of military works must remain for ever unfruitful. We were, therefore, compelled in the course of the year 1885 to make up our minds to submit directly to an oppressive increase of unproductive expenditure; we were compelled to devote our capital to the construction of railways which will do little to facilitate the extension of that internal trade which has become of the greatest assistance and importance to our revenues, and to do so we were compelled to throw back the construction of some of our famine railways. The Government of India, in the course of the year 1885, has also had to decide upon the addition of a heavy sum to its estimates on account of its military establishments. Since the commencement of that year it has thus found itself suddenly in the presence of two conflicting policies, both of which it felt to be of the greatest importance to the country, but beyond its power of simultaneous execution. It was compelled therefore in a measure to subordinate internal railway construction to the requirements of its military situation. It was not, however, on that account prepared to desist from the endeavour to carry out its scheme of internal railways; but it has been compelled in some degree to reconsider the means by which it hoped to carry out its scheme, the order of the works to be undertaken, and the period of their completion. It is in finding funds for continuing the prosecution of its internal railways, while making the necessary provision for frontier railways and works for coast defences, and for the Army Estimates, that the problem of the Government, in regard to its finances, at the present time lies. The magnitude of the task which it has set before itself may be measured by the figures given in a later page of this Statement, which show that in the ensuing year alone, apart from military works which are in course of construction from borrowed capital, the amount of capital to be expended in construction of railways, for meeting the interest on which the Government of India has made itself liable, is over 10 crores of rupees. At 4 per cent., the additional interest charge on this sum, the whole of which will be added to our obligations from the close of the ensuing financial year, is no less than 400,000*l.* The nature of its resources and the prosperous state of its revenues would, nevertheless, there is good reason to believe, enable the Government to carry out, without serious anxiety, the aim which it has set before itself, were it not for the deplorable burden which the fall in the rate of exchange imposes upon it. The vital difficulty which the Government of India has to encounter is that, with a revenue which is almost wholly in silver, it has to provide the funds necessary for the protection of the country, whether from famine or from the point of view of military requirements, to bear an ever-increasing burden on account of gold obligations, and to add largely to this burden by borrowing in gold. It has seen its liabilities under this head increase, for the two years 1884-85 and 1885-86, from 3,426,424*l.* in the accounts of 1884-85 to 3,672,300*l.* in the Budget Estimate of 1885-86, and to 4,424,900*l.* in the Revised Estimate for that year; it has estimated its liabilities in the coming year at 4,837,600*l.*, so that in three years it has added to its estimates of expenditure the sum of over one-and-a-third million on this one account alone; but, in spite of this, it

Financial situation of 1886-87 as contrasted with preceding years.

has absolutely no means of judging how far, in the course of the year, the fall of silver may add to its estimated expenditure on account of exchange. It must be obvious that nothing could be more disquieting than such a condition of affairs. Had there been no danger from war, and no increase to our military estimates, or to our unproductive expenditure, we could have faced this difficulty for a time; but it seems probable that, if the policy of 1882 and the financial arrangements which were introduced in that year had not foundered in the storm and stress of war preparations, they might have been ultimately wrecked upon the silver rock. If we are to be called upon to add, at brief recurring intervals, a million, or even a half or a quarter of a million, to our expenditure on account of exchange, it is clear that no policy, whether of remission of taxation, or of imposition of taxation, can be judged by its results. Speculation on these matters becomes academic; the question which those who are charged with the administration of Indian finance or of Indian government have to solve becomes a question of the extent to which they can cut away what may be called the accessories of administration without injury to its vital parts. We have, for example, found ourselves compelled to abandon, for a time at least, the employment, in the construction of railways, of any portion of our revenues other than the 500,000 *l.* given from the Famine Grant. We have been obliged, further, to retard and delay the progress of our famine railways, in proportion as we find that our surplus revenues are insufficient to leave at our disposal the amounts on which we had reckoned for the provision of interest during construction. We are examining into the question of economies, of which one result will too probably be to retard the development of the Provinces subordinate to the Government of India, by diminishing the amount of revenue made available to them for that purpose. We could have provided for our famine railways, we could have met our increased military expenditure, for our frontier railways, for our coast defences, and for our frontier works, and we could have left the Provinces to their career of steady progress, without anxiety and almost without difficulty, if we had been able to carry out our calculations in a medium which possessed some stability. Indian finance, and Indian administrative advance and improvement, have become, in a word, questions of currency.

25. The above remarks will show what important changes have been introduced into the problem of Indian finance within the last 12 months. They show, further, the results of the increased experience gained by us as to the effect of the fall in silver on our position. They explain how it is fruitless on the one hand to persist in economies, to abandon or delay works of which the necessity has been demonstrated, to devise sources of increase to our revenue, if the result of economy, prudence, taxation, alike disappear in the great gulf of exchange; they show why it is impossible, on the other hand, and for the same reasons, to prosecute with unrelaxed energy the improvement of our means of communication or other necessary measures. The uncertainty in respect of silver entirely neutralises the most carefully formed forecasts of the future, and renders the task of budget-making in India almost illusory. The surplus or the equilibrium existing at the hour at which this statement is written may be turned into deficit before it sees light; and nothing that the Government of India can do of its own authority will, in the slightest degree, affect the result. One of the chief difficulties of the Government has now become the necessity of finding funds for filling up the annually increasing deficit caused by the growing loss in exchange. It has been compelled in the present year to add 800,000 *l.* to its taxation on this account; and it is, and must, so far as its own means of action are concerned, remain in the utmost uncertainty as to the adequacy or otherwise of the provision which it has made under this head. Yet there are necessarily limits which the Government of India must prescribe to itself in the policy of restricting expenditure or of adding to its taxation; it cannot subordinate every consideration to immediate financial equilibrium. If a definite goal could be arrived at, or a definite term fixed, the Government might face sacrifices, however serious. But no forethought, or prudence, or shaping of policy will enable it, so long as silver remains in its present condition, to ensure equilibrium. The Government, as was stated in the course of the debate upon the License Tax Bill, has under its constant consideration this question,

Necessity of putting the silver question on a stable footing.

question, which it regards, from every point of view, as one of the most vital questions which the Government of India has ever had to deal with. It has called the earnest attention of Her Majesty's Secretary of State for India to the subject, and it is pressing upon him the absolute necessity, whether in the interests of this country, or of the Empire in which it occupies so important a position, of seeking, in concert with the Powers of Europe and with the United States of America, for a solution of the silver difficulty. The belief that from other causes, which are now beginning to be recognised and admitted, which are becoming familiar to us all, but which cannot be conveniently dwelt upon in a statement of this nature, Europe and America have a deep interest in protecting their agriculture and trade by placing the relations between gold and silver on a recognised and stable footing, leads to a hope that efforts made at this present time to arrive at an understanding might possibly prove successful. The Indian export trade is carried out in conditions which, whatever gain or loss they may bring with them, admittedly enable this country to compete at great advantage with the agriculturist of those countries which have repudiated the use of silver in their currency except for purposes of subsidiary coinage. In saying this, I must not be understood to write as if I thought that the successful competition of the Indian agriculturist or his prosperity depended solely or even mainly on the present condition of exchange, All that I wish to point out is, that the state of the exchange arising from the demonetisation of silver by Europe, is one of the causes which have contributed to the great increase of the import into Europe of Indian wheat, and to the consequent depression of European agricultural profits; and that the effects of the exchange, both in India and in Europe, although they may be indirect, may seem remote, and do not present themselves at once to the superficial observer, are of a nature to give rise to great anxiety and apprehension to all who are charged with the business of government. How soon the attention of Governments whose interest in the silver question seems to be only second to that of the Government of India will be turned to the matter, with the view of replacing the relations between gold and silver on a footing analogous to that which formerly existed, must remain, for the present, matter of conjecture. Until success has been achieved in this respect, it cannot be questioned that, so far as we here in India are concerned, the accuracy of the general forecast (as distinguished from the Estimates under the several Departmental heads of revenue and expenditure), contained in this, or in any other Budget which is put out in similar conditions, is beyond the control of any financial authority in India, or out of it; and that the most carefully prepared calculations may be upset long before the year is over, by the addition, as in the Revised Estimates of 1885-86 compared with the Budget Estimates of that year, or as in 1886-87, of a million to expenditure: addition over which the Government of India is entirely powerless, and must remain powerless, so long as efforts to bring about an understanding in regard to silver remain unsuccessful.

Principal features in the Budget of 1886-87.

26. The main features in the Budget of 1886-87, as compared with that of 1885-86, are (1) that on account of Upper Burma we have added 665,000 *l.* to the Revenue and 749,500 *l.* to the Expenditure (including 300,000 *l.* for the Army); (2) that opium receipts have been taken higher by 202,100 *l.* on account of probable larger sales of Bengal opium, and opium expenditure 171,100 *l.* higher on account of a good crop; (3) that gross receipts under Assessed Taxes show an increase of 943,200 *l.* on account of the new tax on non-agricultural incomes; (4) that there is a reduction in capital cost of railways charged against Revenue of 684,600 *l.*; (5) that there is an increase of expenditure over the normal grant of 64,300 *l.* under Military Works; and (6) an increase under Army of 1,591,400 *l.* (including exchange). At the same time, the Railway Revenue Account shows the net loss raised from 1,158,800 *l.* in the Estimate of 1885-86 to 1,721,700 *l.* in the Estimates of 1886-87, the falling off to the extent of 132,000 *l.* being only apparent and caused by the tax on non-agricultural incomes, while a further sum of 138,700 *l.*, being the interest payable to the Indian Midland Company, is covered by a corresponding reduction under the grant for Famine Relief and Insurance. The increase of exchange on the Home expenditure in gold amounts to 1,165,300 *l.* (this increase has been partly allowed for in dealing with the other items of revenue); and

there is a special receipt under Military Works of 150,000 *l.*, owing to the payment by his Highness the Maharaja Sindia on account of the Morar Cantonment. The Imperial share of the revenue has also been increased by 400,000 *l.*, a like amount being withdrawn from the share of Land Revenue received by Local Governments.

27. These are the points, on either side of the Budget, which are special to the year. Assuming that it starts from a base of financial equilibrium, that it takes over from the commencement of 1886–87 the revenue and expenditure as settled in 1882, and finds that they balance one another, the provision which in the present year it makes for increased expenditure on the one hand, and for increased revenue on the other, is practically contained in the above figures. The Budget for 1886-87 is experimental. It provides for a material increase of expenditure, and anticipates a considerable increase of receipts; but of this increase all, except a net item of 765,000 *l.* under Income Tax, is of the nature of increase to existing sources of revenue, on the realisation of which the working value of the estimates must largely depend. Expenditure will increase in 1887-88; and time alone can show whether the provision made or contemplated for expenditure is adequate. To the extent of 400,000 *l.* we have meanwhile thought it desirable, in order to ensure budgetary equilibrium, to arrange for a contribution from the surplus of Provincial Revenues during the ensuing year. This contribution entails on the one hand no reduction in the Estimates for Provincial Expenditure in the ensuing year; while on the other hand it leaves at the disposal of Local Governments in the aggregate the full sum which they are required to maintain in case of need arising from calamities requiring abnormal expenditure not provided for in the Budget. During the year 1885-86, it may be remembered, the Local Governments were requested not to engage their balances by embarking on any fresh expenditure which would practically lock them up for a term exceeding that of the Provincial Assignments which expire with the ensuing year. It was explained in the course of my remarks, when introducing the Income Tax Bill, that we were not then in a position to say whether it would be necessary to call the Provincial Governments in 1886-87 to our assistance; but that as a measure of precaution we had asked them not to embark in any fresh expenditure of a nature or extent calculated to cause prejudice to the Government of India. These remarks were made with more immediate reference to the arrangements which would be necessary upon the expiry of the existing Provincial Assignments, at the close of the financial year; but the instructions referred to had also prominently in view the knowledge that in the Budget of 1886-87 some contribution would very possibly be required of Provincial Governments. The revision of the Provincial Assignments, and the inquiries of the Committee recently appointed to examine into expenditure with a view to reductions, will, among other measures, strengthen the resources of the Government of India during the coming year, but it would be at present premature to pronounce upon the sufficiency of our revenues as at present provided. The Budget for 1886-87 is a new departure; greater experience must be awaited before we can be assured that, like the framers of the Budget in 1882, we have adapted our new scale of resources to the new scale of our requirements, and all that can at present be said is, that in the absence of calamity or an increase to our silver difficulties, there are good grounds for believing that we have sufficiently provided for the wants of the coming year. It must be remembered that the ensuing year is burdened with a portion only of the increased military charges. The heavier interest charge on construction of the additional railways and works in progress is only now commencing to make itself felt.

Contribution from Provincial Governments.

28. These observations will, I hope, suffice to show the general features of the coming year, and of the financial arrangements which we have made or which we contemplate to meet the increased and increasing burdens which await us. I proceed now to give some explanation under the several heads of Income Tax, Railways, Opium, and Famine Insurance Grant, to which reference has been just made.

29. In introducing the Income Tax Bill, the probable net yield, after deducting the cost of collection and the 500,000 *l.* which, in round figures, was the yield of the

the former License Tax, was taken at 620,000 *l.*; subsequent modifications, and especially the removal of the exemption of the lower paid classes of Government servants, led to the estimate of net yield being raised to 680,000 *l.* The estimates which have since been received from the several local authorities give the gross receipts at 1,458,100 *l.*, inclusive of the receipts formerly credited under License Tax; from this total of 1,458,100 *l.* we must, in order to obtain the net improvement of our finances, deduct 515,000 *l.*, being the amount which would have been received if no change had been made, 46,000 *l.* on account of increased cost of collection, and 132,000 *l.* which is levied on the Government share of the profits of certain railways. The net result is 765,100 *l.*, and this is the amount by which we now expect the Income Tax to improve our financial position in the coming year. The sum of 132,000 *l.* above referred to is a deduction from the Government share of the revenue of certain Guaranteed Railways, and must be eliminated before we can arrive at the net yield of the new tax; it is merely so much revenue transferred from one head of our accounts to another. It has been decided to postpone for a year the introduction of the Income Tax into Burma. Since 1872 there has been in Burma no direct taxation, other than the capitation tax, or the payment of land revenue in lieu of capitation tax. As the License Tax of 1876 was not introduced into Burma, the facility for commuting the tax into an Income Tax, which in India probably obviated much of the objections to it, does not present itself in Burma. The Chief Commissioner has pointed out that his executive staff is in great measure called upon to furnish the agency necessary for the introduction of British administration into Upper Burma, and that on other more general grounds it would be undesirable to introduce the Income Tax for the moment into Burma. The Government of India has recognised the force of the Chief Commissioner's representation; and the introduction of the tax has been accordingly postponed for a year. The loss to the Treasury is estimated at 35,000 *l.*

Tax on non-agricultural Incomes.

30. The railway revenue, which in 1884–85 showed symptoms of depression, has revived during 1885-86, and has justified us in taking a high though not an excessive estimate of receipts. The net results of the working of the railways is, however, very unfavourably affected by the increased interest charge on gold loans owing to the fall in the value of the rupee; by the energy displayed in railway construction; and, finally, by the expenditure of capital on lines which can never be expected to cover the interest charge. The apparent result of the working of our railway system is also affected by the deduction of 132,000 *l.* on account of Income Tax, as already explained, from the Government share of the receipts of certain railways, and by charging against the Revenue Railway Account the interest payable to the Indian Midland Company (138,700 *l.*), which is really met by an equivalent reduction of the grant for famine railways and insurance. The harvest throughout Upper India promises to be of exceptional abundance, the rice crop in Burma is good, and the export trade may be expected, so far as can at present be seen, to continue active. The table given in a later paragraph shows the comparative financial results of the working of the State and Guaranteed Railways in 1886-87 and previous years. In contrasting the figures which it contains with those shown in the Budget Statement of last year, it will be borne in mind that the method of exhibiting exchange in our accounts has been modified, and that the figures of last year's Statement and of the present Statement will not, therefore, correspond.

Railway Revenue and Expenditure.

31. It will be seen that the Budget Estimates of 1886–87 show an increase over the Budget Estimates of 1885-86 to net revenue under State railways of 685,000 *l.*, an increase which, over the whole account, is reduced to 458,500 *l.* by the decrease under Guaranteed Railways. It is possible that increase in the actual receipts, as compared with those taken on our Estimates, whether under State or Guaranteed Railways, may recoup some of this loss. The figures of actual and estimated net loss or gain, and of expenditure to be incurred by the State, or by companies under engagements with the State, on railways, during 1884–85, 1885–86, 1886–87, are respectively given in the statements below. The figures show that, while the net gain of 135,816 *l.* in 1884–85 on State railways becomes in 1886-87 a net loss of 578,400 *l.*, the loss in 1884-85

on both Guaranteed and State railways of 846,034*l.* is increased in 1886-87 to a net loss of 1,453,300*l.* This loss is the more considerable, because it is arrived at after taking into account the difference between the net revenue from State railways, which is taken in 1884-85 at 4,397,616*l.*, and in 1886-87 at 5,489,900*l.*; an increase in the latter year of 1,092,284*l.* The total net loss in the three years is:—

1884-85. (Actuals.)	1885-86. (Revised Estimates.)	1886-87. (Estimates.)
£.	£.	£.
846,034	548,300	1,453,300

The cause of the heavy increase in the estimated net loss compared with previous years is mainly due, on the one hand, to the large amount of capital at present being expended on railways, of which much will remain unremunerative; on the other, to the increased charge for guarantee in the case of the Indian-Midland line conceded last year to a company. The fall in silver, though in a measure counterbalanced by the cheaper cost of material in England, has also contributed to the loss. The amount to be directly expended by the State for construction of railways, which amounts to 16 crores in the three years ending 1886-87, will have added, exchange apart, an additional burden of 640,000*l.* to our interest charge in 1887-88. The amount of capital, whether expended in State construction or in construction by companies, for interest on which we shall have made ourselves liable during the same three years, amounts to no less than the sum of 27 crores. As part of the railways under construction at present will bring to the State little or no direct profit, we must not anticipate a decrease in the loss on our railways for some considerable time to come. On the contrary, the loss will probably be progressively greater for the next three or four years, and this, not because the lines which are open to traffic are not paying, but on the contrary, because, in spite of their increasing receipts, all they can yield, and far more, is swallowed up in the interest on capital on other lines under construction. When it has been said that the increase to the expenditure on account of military expenditure, military railways and works, is estimated to amount to two millions annually, much of the loss above spoken of is, of course, included in figures given in the estimate of loss embodied in these statements; the loss, that is to say, is not additional to that which is spoken of when it is said that so much has been added to our expenditure for Military Railways; the charge is not additional to the increased expenditure included on account of those railways. The statements given here serve simply to show that, in making a general estimate of the position created for us by the prosecution of our railway policy and by the increase to our military expenditure, we cannot for some time to come look to our railway revenue to give any net gain upon our Estimates; that all we can expect is that they should lessen a loss; and that for the next two or three years even this relief will probably diminish, though at a later stage it should again make itself more felt. The figures focus and bring clearly into view so much of the increase to our charges in the Estimates of 1886-87 as arises from the necessity of perfecting our military communications, and of protecting the country against famine; construction, exchange, and interest being brought together and shown in the calculation. They bring out the present financial effect of the railway construction in which we are engaged, and the heavy strain to which, for the benefit of our successors, we of the present day are subjecting our resources. But at the same time they show pretty clearly, I think, that the anxieties of Indian finance (the silver question always apart) arise less from any deficiencies in receipts or unavoidable additions to our expenditure, than from the present burden to which we have deliberately subjected ourselves, in the belief and expectation that hereafter the security of the lives and prosperity of the people, no less than the finances of the Government, will be safeguarded by the efforts we are making.

NET GAIN and LOSS on STATE and GUARANTEED RAILWAYS from 1884-85 to 1886-87.

	Actuals, 1884-85.	Budget Estimate, 1885-86.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.
STATE RAILWAYS.	£.	£.	£.	£.
Net Revenue	4,397,616	4,804,900	5,261,300	5,489,900
Less,—				
Interest and Annuity	4,070,501	4,398,300	4,660,700	5,848,800
Surplus Profits	191,299	144,000	196,000	217,500
NET GAIN £.	135,816	262,600	404,600	*—578,400*
GUARANTEED RAILWAYS.				
Net Revenue	3,478,300	3,360,000	3,644,000	3,133,500
Less,—				
Interest and Surplus Profits	4,460,150	4,481,300	4,596,900	4,008,400
NET LOSS £.	981,850	1,121,300	952,900	874,900
NET LOSS TO STATE £.	846,034	858,700	548,300	1,453,300

EXPENDITURE on RAILWAYS from 1884-85 to 1886-87 on State Responsibility.

	Actuals, 1884-85.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.
(1). DIRECTLY EXPENDED BY GOVERNMENT:	*Rs.*	*Rs.*	*Rs.*
Expenditure on Railways not charged against Revenue	3,52,61,521	4,91,40,000	4,72,71,000
Construction of Protective Railways	94,64,570	58,90,000	50,00,000
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	26,35,010	63,11,000	10,92,300
TOTAL *Rs.*	4,73,61,101	6,13,41,000	5,33,63,300
(2). EXPENDITURE BY COMPANIES ON THE RESPONSIBILITY OF GOVERNMENT:*			
Guaranteed Railways	1,45,71,806	1,90,10,000	1,27,07,000
Southern Mahratta Railway	1,20,75,081	1,17,01,000	1,30,51,000
Indian Midland Railway	- - -	94,82,000	2,28,96,000
TOTAL *Rs.*	2,66,46,887	4,01,93,000	4,86,54,000
GRAND TOTAL *Rs.*	7,40,07,988	10,15,34,000	10,20,17,300

* The final Estimates received from the India Office give outlay in a lump sum. An approximate Estimate has been determined in this Department for Southern Mahratta and Indian Midland Railways, and the balance has been shown under Guaranteed Railways.

Sterling has been converted at the rates used in the Estimates in *all* the above figures.

Principal grants for railway construction in 1886–87.

32. In the following tables the most important grants assigned for outlay during 1886–87 on construction of State and of Guaranteed Railways are respectively shown. The railways included in the military programme of the Government, and in the programme laid before the Parliamentary Committee of 1884, are severally indicated by the terms "Military" and "Famine." The other railways, as, for example, the first on the list, the East Indian, are not especially "Famine railways," but have for their object the development of internal traffic, and the improvement and opening out of existing means of communication.

If the Government is able to carry out undisturbed the arrangements which it has at present in hand, the Sind-Pishin, the temporary Bolan line, the Sutlej Bridge, and the Cuddapah-Nellore, will in 1887–88 have either been completed, or will have been advanced to the verge of completion, while the Bellary-Kistna line will, it is expected, be finished in 1888–89 :—

State Railways.	1885–86.	1886–87.*
	Rs.	*Rs.*
East Indian	27,10,000	20,00,000
Rajputana-Malwa (including Rewari-Ferozepore)	16,60,000	8,00,000
Katni-Umaria and Umaria Colliery	31,49,000	7,41,600
Eastern Bengal	23,53,500	11,16,000
Naraingunge-Dacca-Mymensingh	11,13,600	3,81,900
Assam-Behar (Famine)	45,13,000	10,58,150
North Western	38,12,700	28,57,000
Sind-Pishin (Military)	1,69,25,610	93,08,160
Sind-Sagar (Military)	55,71,670	1,12,75,780
Sutlej-Bridge (Military)	17,43,550	23,95,500
Bolan (temporary line) (Military)	26,23,000	46,000
Darwaza-Quetta (Military)	14,40,000	15,10,000
Cuddapah-Nellore (Famine)	17,75,000	17,94,000
Bellary-Kistna (Famine)	38,89,000	50,00,000
Frontier Reserve Material (Military)	14,53,000	18,83,000
„ „ Rolling Stock (Military)		48,64,000

* Includes Exchange.

The most important grants assigned for outlay on construction of Guaranteed Railways are as follows:—

Guaranteed Railways.	1885–86.	1886–87.*
	Rs.	*Rs.*
Bombay, Baroda, and Central India	28,65,000	21,57,000
Great Indian Peninsula	52,97,000	43,33,000
Madras	15,58,000	—
Oudh and Rohilkhund	63,44,000	54,67,000
Sind, Punjab, and Delhi	15,72,000	—
South Indian	13,87,000	10,83,000
Southern Mahratta	1,17,01,000	1,30,51,000
Indian Midland (Famine)	94,82,000	2,28,96,000

* Includes Exchange.

Opium.

33. The prospects of the opium crop are again, for a third year in succession, exceptional. The outturn of opium during 1886–87 is estimated to be high. The reserve is expected to stand at the close of 1886 at 29,200 chests. We have taken the price of Bengal opium during the ensuing year at 1,200 rupees per chest. The new Opium Convention with China will, in all probability, come into operation during the ensuing year, and must necessarily be watched here with much anxiety. The future of our opium revenue must very greatly depend on the success attending this Convention, which again will depend on the power of the Chinese Government to enforce the prohibition of the levy of all duty on Indian opium by provincial Governors in its transit through the interior, in consideration of the rate of likin duty, which will amount to 80 taels per chest payable at the Treaty Ports, as agreed upon in the Convention.

34. The

34. The Army Estimates for 1886-87 furnish the main item of increase under expenditure, the net increase amounting to 1,613,500 *l.* They include no special provision for war expenditure, but there is heavy addition to the army charges, as compared with the original Estimates of 1885-86, which is mainly due to the measures taken for the augmentation of the British and Native forces recently authorised, and to the extra cost of holding Upper Burma; the addition of exchange to the Home cost of the Army also tends to increase the expenditure. A further fall in the rate of exchange for the payment of British troops, which has been fixed at 1 *s.* 7 *d.* the rupee, increases the charges by 51,500 *l.*; and the addition to the garrison in Burma necessitates provision for increased expenditure. The increase to the effective of the Indian Army has necessitated a corresponding increase in the various army departments. Thus, there is a considerable addition to the Commissariat grant for provisions and supplies for troops and for feeding horses. It is necessary to purchase a considerable number of remounts to meet the requirements of the mounted branches of the army, and enhanced provision has been made in the Estimate on this account. The extension of the volunteer movement throughout India, together with the concessions lately sanctioned for volunteers, have also caused some increase of expenditure. In framing the Estimates of charges in India, considerable reductions have, however, been made in consequence of the stocks of provisions and stores purchased on account of the special military preparations, which supplies will, to a large extent, be available for the requirements of 1886-87. Taking the entire military expenditure in India, there is an increase of 1,126,900 *l.* over the Budget Estimate of 1885-86. Army.

35. The main item of increase to the Estimates is on account of regimental pay and allowances, and amounts to 682,931 *l.* Under this head is provided the pay of additional officers and men, the increase to the mountain artillery, and the reorganisation of the sappers and miners. The fall in the rate of exchange at which British troops are paid (from 1 *s.* 7½ *d.* to 1 *s.* 7 *d.*) causes an increase of 51,500 *l.*, which is included in the 682,931 *l.* Under the head of Commissariat there is an increase of 316,601 *l.*, mainly due to the additional cost of victualling the extra number of British troops, to the cost of feeding more horses, and to extra charges for troops in Burma. Under the head of Remounts there is an increase of 90,547 *l.*, owing to the necessity for purchasing about 2,500 horses required for the addition to the mounted branches of the army, and to the increased rate sanctioned for these horses. There is an increase under clothing of 21,891 *l.*, due chiefly to 1886-87 being a year in which compensation for clothing is payable, but in part also to the augmented strength of troops. More barrack supplies have to be provided for the increased number of troops, and this accounts for an increase of 10,530 *l.* Broadly speaking, the total increase of 1,126,900 *l.* over the Budget Estimate of 1885-86 is mainly made up as follows:—500,000 *l.* for the addition to the strength of the British Army in India, 225,000 *l.* for the augmentation of the Native Cavalry, and 40,000 *l.* for the new Goorkha battalions; besides 6,000 *l.* for the increase to Mountain batteries; 300,000 *l.* for extra military charges in Burma; 38,800 *l.* for charges expected to be incurred in connection with the Bolan Railway; 23,500 *l.* for Volunteers; and 25,000 *l.* for increased pension charges; partly counterbalanced by savings owing to diminished provision for Ordnance and other supplies, and in other minor items.

In dealing separately with the Home charges in the present paragraph, it will facilitate comparison to deal with true sterling, and I shall adopt this course, so as to eliminate the changes which are merely due to variation in the rate of exchange.

The total increase in the Home gross charges, comparing the Budget Estimate for 1885-86 (3,572,900 *l.*) with the Budget Estimate for 1886-87 (3,733,200 *l.*), is 160,300 *l.*

Under the head of Home charges of British Forces serving in India there is an increase of 245,000 *l.*, 120,000 *l.* of which is due to increased provision for "deferred pay," and 125,000 *l.* for increased expenses on account of the larger establishment of British troops in India. Under "Stores for India" there is an increase of 133,600 *l.*, chiefly due to the supply of 25,000 Martini-

Enfield rifles, with ammunition, and to new guns for mountain batteries. In the non-effective charges there is a decrease of 325,000 *l.*, owing to the abandonment of the system of capitalising pensions payable to the War Office. The increase in the Home charges, effective and non-effective services, is, as stated above, 160,300 *l.*

Portion of expenditure on increased strength of Army deferred to 1887–88.

36. The estimated expenditure deferred to subsequent years on account of the late arrival in 1886-87 of a portion of the increased establishment of British troops, or by reason of the increase to the Native Cavalry, the Goorkha and other regiments, not coming fully into effect in that year, or because other portions of the military programme will not come, as they were not intended to come, into operation till a period later than 1886-87, amounts to 656,900 *l.*, apart from interest on military railways or works.

37. The following statements give the details of the increase and decrease in the several grants in India and in England. Comparison is made with the Budget Estimate of 1885–86, because the Revised Estimates of that year were altogether abnormal, and because the comparison is necessary to show the effect on the Estimates, as hitherto framed, of the changes consequent on the policy adopted in 1885 in respect to our military expenditure, so far as, during the ensuing year, that policy will be brought into operation.

Comparative statement of Military Estimates in 1885-86 and 1886-87.

Grants.	INDIA.	Budget Estimate, 1885–86.	Budget Estimate, 1886–87.	Comparison with the Budget Estimate, 1885–86.	
				Increase.	Decrease.
	EFFECTIVE SERVICES.	*Rs.*	*Rs.*	*Rs.*	*Rs.*
1	Army and Garrison Staff	48,21,660	48,82,180	60,520	—
2	Administrative Staff	18,91,530	18,89,710	-	1,820
3	Regimental Pay, Allowances, and Charges	6,26,36,620	6,94,65,930	68,29,310	—
4	Commissariat Establishments, Supplies and Services	2,32,48,670	2,64,14,680	31,66,010	—
5	Remount and Cattle Establishments, Supplies, and Services	14,40,520	23,45,990	9,05,470	—
6	Clothing Supplies and Services	11,55,890	13,74,800	2,18,910	—
7	Barrack - ditto	18,37,940	19,43,240	1,05,300	—
8	Administration of Martial Law	2,98,530	2,90,170	-	8,360
9	Medical Establishments, Services, and Supplies	56,58,620	56,30,120	-	28,500
10	Ordnance Establishments, Stores, and Camp Equipage	56,59,040	52,37,500	-	4,21,540
11	Ecclesiastical	2,94,060	2,75,860	-	18,200
12	Education	4,12,870	3,92,830	-	20,040
13	Sea Transport Charges	5,61,000	5,50,000	-	11,000
14	Miscellaneous Services	28,02,380	28,07,140	4,760	—
15	Volunteer Corps	7,55,000	9,90,170	2,35,170	—
	NON-EFFECTIVE SERVICES.				
16	Rewards for Military Services	77,610	69,360	-	8,250
17	Military Pensions to Europeans	2,66,300	9,23,920	6,57,620	—
18	Military Pensions to Natives	71,80,610	66,58,720	-	5,21,890
19	Widows' Pensions and Compassionate Allowances	1,97,550	2,07,790	10,240	—
20	Departmental Pensions	4,18,600	5,33,890	1,15,290	—
	TOTAL - - - *Rs.*	12,16,15,000	13,28,84,000	1,23,08,600	10,39,600
	Net Increase - - - *Rs.* 1,12,69,000.				

ENGLAND.	Budget Estimate, 1885-86.	Budget Estimate, 1886-87.	Increase.	Decrease.
	*	*	*	*
EFFECTIVE.	£.	£.	£.	£.
Home charges of British Forces serving in India	620,000	865,000	245,000	—
Furlough allowances of officers of the Indian Service	170,000	170,000		
Indian Troop Service	256,700	322,500	65,800	-
Passages of officers and troops otherwise than in troop-ships	4,700	4,700		
Miscellaneous	17,000	17,900	900	
Stores for India	455,500	589,100	133,600	—
TOTAL EFFECTIVE	1,523,900	1,969,200	445,300	—
NON-EFFECTIVE.				
Retired pay, &c., of British Forces on account of service in India	481,000	156,000	- -	325,000
Pay and Pensions of Non-effective and Retired Officers of the Indian Service	1,400,000	1,500,000	40,000	—
Miscellaneous pensions, including those from Lord Clive's Fund, &c.	102,000	100,000	- -	2,000
Indian Service Family Pensions	6,000	8,000	2,000	—
TOTAL NON-EFFECTIVE	2,049,000	1,764,000	42,000	327,000
			Net Decrease £. 285,000	
TOTAL EFFECTIVE AND NON-EFFECTIVE £.	3,572,000	3,733,200	487,300	327,000
			Net Increase - - £. 160,300	

Famine Relief and Insurance.

38. It has been said that the estimate of expenditure under the head "Famine Relief and Insurance" for the coming year is 1,361,300 *l.* only, instead of the normal amount of 1,500,000 *l.* Before explaining this, it must be pointed out that in the Revised Estimates of 1885-86 the total amount expended in that year is shown at 1,500,000 *l.* In the course of the speech which, in the commencement of the present year, I was called upon to make in asking leave to introduce the Income Tax Bill, I said:—"When the accounts of the year are published, it will be found that the Government has devoted the Famine Insurance Grant to the purposes to which it usually is devoted." The figures I refer to show that the normal grant has been expended, and that the criticisms made in regard to the action of the Government in the matter, on the assumption that the grant had been diverted to other purposes, were, as on previous occasions, and at that time they were explained to be, without foundation.

Operation of the Famine Insurance Grant.

39. The portion of the revenue set aside to meet the cost, direct and indirect, of famine was first devoted to specific purposes, and shown separately in the accounts, in the year 1881-82. From 1881-82 to the close of the current financial year, the aggregate of the sums spent under Famine Relief and Insurance comes to 7,635,028 *l.*, which has been devoted to the following objects:—

	£.
Famine Relief	112,041
Protective Railways	2,733,979
„ Irrigation	1,133,761
Reduction of Debt	3,655,247
TOTAL £.	7,635,028

As the normal grant on this account is 1,500,000 *l.* annually, the aggregate would naturally be expected to be 7,500,000 *l.*, and this sum would have been shown

* True sterling.

shown if we had continued to deal with exchange according to the old method. The difference between the present figure of 7,635,028*l.* and 7,500,000*l.* is due to the inclusion in the former sum of exchange on certain expenditure in England and on Public Works stores.

A more important question, however, than the specific allotment of the grant in recent years is the extent to which the Government has in practice succeeded in reducing the charge for debt since the policy of increasing the revenues for the purpose of meeting the cost of famine was first originated. The increase of the revenues necessarily improves the position of the finances *pro tanto*, but, in judging of the general effect of the policy of Government, many other considerations require to be taken into account. A deficit sooner or later increases the charge for debt, a surplus reduces it.

The fall in exchange has tended steadily to increase the burden of the gold debt on the revenues of India; the construction of Productive Railways and Irrigation Works from revenue practically reduces the burden of the ordinary debt. The vital question is whether the burden of the debt, to balance which great Public Works of a permanent nature cannot be shown, has increased or diminished. The publication of the accounts of past years in the new form enables us to answer this question with comparative ease.

In 1877-78 the total interest charged on debt of all kinds stood as follows, including exchange:—

	£.
Interest on Ordinary Debt uncovered by Public Works -	4,799,448
„ on Debt balanced by Capital Expenditure of a corresponding amount on Railways - -	703,753
„ on Debt balanced by Capital Expenditure of a corresponding amount on great Irrigation Works - - - - - - - -	621,822
TOTAL - - - £.	6,125,023

For 1885-86 the account is as follows:—

	£.
Interest on Ordinary Debt uncovered by Public Works -	3,859,100
„ on Debt balanced by Capital Expenditure of a corresponding amount on Railways - -	2,655,900
„ on Debt balanced by Capital Expenditure of a corresponding amount on great Irrigation Works - - - - - - - -	966,000
TOTAL - - - £.	7,481,000

These figures show that, notwithstanding the fact that the fall in exchange has added largely to the burden of the interest charged on the gold debt of India, the charge for debt, which is uncovered by great Public Works, has been reduced since 1877-78 by 940,348*l.*

Cause of reduced Estimate of Expenditure under Famine Insurance Grant in 1886-87.

40. The estimate of expenditure on famine insurance for the ensuing year has been reduced from the normal figure of 1,500,000*l.* to 1,361,300*l.*, or by 138,700*l.* The reason of the difference is that the Government of India have obtained the sanction of the Secretary of State to deduct from the sum hitherto annually assigned to the Famine Insurance Grant the interest payable during construction to the Company which has undertaken the construction of the Indian Midland Line; and, should the concession for the construction of the proposed Nagpore-Bengal Railway be hereafter obtained, the interest payable during construction to the Company which obtains it will be also charged, if necessary, to this head. These lines form part of the scheme of protective railways to the completion of which the Famine Insurance Grant is devoted; and it seemed to the Government of India to be immaterial whether a portion of the sums assigned hitherto to that grant were directly expended in the construction of these railways, or whether they were devoted to the payment of interest on the capital expended by companies during the period of their construction. It was quite clear that without some such arrangement the completion

pletion of the scheme of railways would be very considerably retarded; for it was not possible, while maintaining the Famine Grant at its hitherto figure, to burden the revenues with the charge for interest, which, during the estimated five years of construction, would impose upon them a considerable charge. On the other hand, to defer on account of this consideration the construction of these railways is calculated to prolong the dangers and risk which, by devoting to them the proceeds of the Famine Insurance Grant, it is the object of the Government to remove or to lessen within the briefest time possible.

41. The above remarks dispose of the matters referred to in paragraph 28 as especially requiring explanation in connection with the arrangements of the present Budget. They will show the nature and extent of the charges which we are building up on the basis of the equilibrium left to us by the arrangements of 1882; the sources to which we look to meet them; and the considerations which have been present in our minds while engaged in examining and in working out the problem presented to us for solution by the administrative decisions and engagements of the Government.

Details of increased Army Expenditure in 1885-86.

42. There are three or four important features, which have no concern with our future prospects, but which are connected with the working of the Estimates during 1885-86, which I wish to bring to notice here. Of these, the first is the expenditure under Army, to which is to be traced the deficit of the past year. The increase under this head amounted to 3,049,700 *l.* The gross Budget figures were 16,674,600 *l.* The Revised Estimate is 19,724,300 *l.* The increase was mainly due to the preparations for war which were commenced towards the end of 1884-85 and continued during part of the year 1885-86; but increased expenditure was also caused by the dispatch of a force to Upper Burma, by the augmentation of the military forces in India, which had only partial effect in 1885-86, and by the Camp of Exercise recently held near Delhi. There was also an addition to the Home charges on account of deferred pay to British soldiers, but, on the other hand, a saving under non-effective charges owing to the abandonment of the system of capitalized pensions payable to the War Office on account of officers and men who have served in India.

As regards the charges in India, the Revised Estimate for 1885-86 amounts to 14,873,400 *l.*, showing an excess over the Budget Estimate of 2,711,900 *l.* The estimated expenditure during the year on account of war preparations amounts to 2,057,100 *l.* A large portion of this, 219,300 *l.*, is due to the temporary Bolan Railway, 20,500 *l.* is on account of a light railway or tramway for use in the Bolan, and considerable sums are for Telegraph and Public Works Department charges. Heavy expenditure was incurred under the heads of Commissariat, Transport, Medical, and Ordnance. Under these heads large sums were spent on provisions of all kinds, purchase of transport animals, carts and equipments, clothing, ambulance transport, bedding, medical and surgical stores, hospital equipment, ordnance stores, and camp equipage. The purchases of these supplies have been taken into consideration in estimating the charges which will be made next year on account of the departments to which they appertain, and it is hoped that a considerable portion of the supplies and stores which have been laid in will be available for 1886-87. In November 1885 a force of about 9,000 officers and men, subsequently increased to 11,500, was sent to Upper Burma, and 270,000 *l.* was estimated on that account on the supposition that the operations would not extend beyond three months; but the increase in the force and various other reasons have combined to render that sum insufficient, and it has accordingly been increased in the Revised Estimate to 390,000 *l.*, including 30,000 *l.* on account of a gratuity to the troops. There have been certain charges (50,000 *l.*) in 1885-86 connected with the concentration of troops at Rawal Pindi, while the Camp of Exercise at Delhi, estimated to cost 100,000 *l.*, has increased the military expenditure. During the year also large sums have been spent on the purchase of additional remounts (90,620 *l.*), consequent on the re-organization of Royal Horse and Field Artillery Batteries and the augmentation of British and Native forces in India. The increase to the British and Native troops in India and the increased number of guns for native mountain batteries have also contributed to swell the military expenditure by 151,473 *l.*, and, although only a portion of the expense falls upon the year 1885-86, that portion materially increases the charges of the year, which are further added to by the purchase of additional land for rifle ranges (6,500 *l.*),

&c. These increases are partly counterbalanced by savings of 143,000 *l.* in commissariat and transport, and minor savings in various departments aggregating 25,793 *l.*

The Home charges* in the Budget Estimate of 1885–86 amount to 3,572,900 *l.* for effective and non-effective services; and in the Revised Estimate to 3,688,800 *l.*, showing an increase of 115,900 *l.* There is an increase under Stores, amounting to 456,700 *l.*, in consequence of the war preparations. In the non-effective charges there was, however, a decrease of 371,000 *l.* under "retired pay, &c., of British Forces, on account of service in India," owing to the abandonment of the system of capitalizing pensions payable to the War Office referred to in the Financial Statement for 1885–86.

43. The consumption of salt during the eleven months ending with 31st January 1886, compares as follows with the corresponding figures of the previous year:—

Salt. Decrease in consumption in 1885–86.

	Consumption, 1st March 1884 to 31st January 1885.	Consumption, 1st March 1885 to 31st January 1886.	Increase + Decrease —.
	Maunds.	*Maunds.*	*Maunds.*
Bengal	9,398,000	9,382,000	— 16,000
Northern India	6,581,000	4,996,000	—1,585,000
Bombay	4,810,000	6,282,000	+1,472,000
Sindh	189,000	206,000	+ 17,000
Madras	6,789,000	6,965,000	+ 176,000
TOTAL	27,767,000	27,831,000	+ 64,000

The increase has been inconsiderable, and contrasts very strikingly with the results of the three previous years, dating from the time when the salt duty was lowered. The increase in the eleven months of the three last years has been—

	Maunds.
Eleven months from 1st March 1882 to 31st January 1883	1,603,000
Ditto ditto ditto ditto ditto 1883–84	973,000
Ditto ditto ditto ditto ditto 1884–85	693,000
Ditto ditto ditto ditto ditto 1885–86	64,000

The decrease in Northern India is pretty closely balanced by the increase in Bombay, and the falling off is general. The Provincial figures for the last three years are as follows:—

	1st March 1882 to 31st January 1883.	Increase+ Decrease—.	1st March 1883 to 31st January 1884.	Increase+ Decrease—.	1st March 1884 to 31st January 1885.	Increase+ Decrease—.	1st March 1885 to 31st January 1886.	Increase+ Decrease—.
	Mds.	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*	*Mds.*
Bengal	8,723,000	+ 516,000	8,850,000	+ 127,000	9,398,000	+ 548,000	9,382,000	— 16,000
Northern India	6,112,000	— 66,000	6,459,000	+ 347,000	6,581,000	+ 122,000	4,996,000	— 1,585,000
Bombay	4,695,000	+ 334,000	4,789,000	+ 94,000	4,810,000	+ 21,000	6,282,000	+ 1,472,000
Sindh	166,000	+ 18,000	176,000	+ 10,000	189,000	+ 13,000	206,000	+ 17,000
Madras	6,405,000	+ 801,000	6,800,000	+ 395,000	6,789,000	— 11,000	6,965,000	+ 176,000
TOTAL	26,101,000	+1,603,000	27,074,000	+ 973,000	27,767,000	+ 693,000	27,831,000	+ 64,000

* The Home charges are here stated in true sterling, without exchange.

The

The materials for forming an opinion on the causes of the falling off in salt are not at present available, and it would be imprudent to attach much importance to the results furnished by a single year, or to hazard conjecture at present on the point, beyond observing that the decrease is probably in considerable measure due to the periodical oscillations which are known to be a feature of the salt trade. At the same time, any falling off in the consumption of salt requires to be carefully watched, in view of the fact that the reduction of the duty in 1882 rested wholly on the assumption that the supply of salt available at the rate of duty then existing was insufficient, and that a reduction in that rate would lead to a large and steadily progressive consumption.

Imports of Gold and Silver

44. The net import of gold into India has also fallen off very considerably in 1885-86, silver having correspondingly increased :—

Year.	Gold.		
	Imports.	Exports.	Net Imports.
	Rs.	*Rs.*	*Rs.*
1881-82 - - - - - -	4,85,63,920	1,24,078	4,84,39,842
1882-83 - - - - - -	5,09,51,354	16,42,639	4,93,08,715
1883-84 - - - - - -	5,46,94,568	69,517	5,46,25,051
1884-85 - - - - - -	4,77,81,724	10,62,359	4,67,19,365
1885-86 (10 months) - - -	2,56,53,051	29,78,561	2,26,74,490

Year.	Silver.		
	Imports.	Exports.	Net Imports.
	Rs.	*Rs.*	*Rs.*
1881-82 - - - - - -	6,46,63,889	1,08,73,390	5,37,90,499
1882-83 - - - - - -	8,35,80,218	87,77,949	7,48,02,269
1883-84 - - - - - -	7,40,85,065	1,00,33,554	6,40,51,511
1884-85 - - - - - -	9,11,00,254	1,86,43,941	7,24,56,313
1885-86 (10 months) - - -	10,12,12,496	74,34,379	9,37,78,117

The great rise during 1885-86 in the value of gold in relation to silver, or, in other words, the dearness of gold, and the short drawings of the Secretary of State, account probably for a part of the falling off in gold, and for the increase in silver. We have, however, at present, no means of judging fully of the causes of this marked decline.

Savings Banks.

45. On the 31st March 1885 the number of depositors in District and Presidency Savings Banks was 95,366, against 91,981 on the same date of the previous year, or showing an increase of 3,385 depositors. The increase occurred as under:—

	Europeans and Eurasians.	Natives.	Total.
	No.	*No.*	*No.*
31st March 1884 - - -	20,037	71,944	91,981
31st March 1885 - - -	20,330	75,036	95,366
	+ 293	+ 3,092	+ 3,385

The balance at the credit of the depositors on the 31st March 1885 was 3,058,998 *l.* against 3,011,721 *l.* on the corresponding date of the previous year, or showing an increase of 47,277 *l.*

On the 31st March 1884 the total number of Post Office Savings Bank accounts was 84,848, but it increased to 122,599 on the 31st March 1885, *i. e.*, by no fewer than 37,751 accounts. The balance at credit of depositors increased during the year by 592,800 *l.*, as under :—

	Balance at the Credit of Depositors.
	£.
On 31st March 1884 - - - - - - -	751,400
On 31st March 1885 - - - - - - -	1,344,200
Increase - - - £.	592,800

The increase occurred in the following proportions among the Europeans and Eurasians and the Natives of this country :—

	Number of Accounts.			Balance at Credit of Depositors.		
	Europeans and Eurasians.	Natives.	TOTAL.	Europeans and Eurasians.	Natives.	TOTAL.
	No.	*No.*	*No.*	£.	£.	£.
On 31st March 1884 - -	8,410	76,438	84,848	127,300	624,100	751,400
On 31st March 1885 - -	13,355	109,244	122,599	233,500	1,110,700	1,344,200
Increase - - -	4,945	32,806	37,751	106,200	486,600	592,800

On 31st March 1885 the total balances in Savings Banks of all classes came to 4,687,082 *l.* The latest returns of the current year give a total balance of 4,929,582 *l.*, and this amount will doubtless be considerably exceeded before the close of the year. The success which has marked the establishment of Post Office Savings Banks, coupled with the fact that the Post Office organisation is more widely spread and more convenient for the public than the Treasury system, has led the Government to consider the expediency of continuing in the same place and for the same purpose the dual system of the District and the Post Office Savings Banks. The result of this consideration has been the issue of orders directing the amalgamation of the District and the Post Office Savings Banks, and the closure of District Savings Banks as separate institutions from 1st April 1886. The balances at credit of District Savings Banks will be transferred to Post Office Savings Banks, and it has been decided that no new accounts shall be opened in any District Savings Bank after the receipt of the Governmeut Resolution of the 4th January 1886 containing orders on the above points. The orders referred to have not yet been made applicable to District Savings Banks in the Madras and Bombay Presidencies, where the Presidency Banks have the management of the accounts, under agreement with the Government. Intimation has, however, been sent to the Governments of Madras and Bombay to apprise the Presidency Banks of the intention of the Government to close the District Savings Banks at an early date.

Post Office Life Insurance.

46. In paragraph 20 of the Financial Statement for 1885-86, reference was made to the scheme of Life Insurance which was announced by my predecessor, Sir Evelyn Baring, in his Budget Statement of 1882-83, and which was introduced for the benefit of the employés of the Post Office Department from 1st February 1884. When the Financial Statement for 1885-86 was made, sufficient

sufficient time had not elapsed to enable the Government to form an opinion as to the measure of success which the scheme of Life Insurance was likely to attain. The Director General of the Post Office has since reported on the working and progress of the Life Insurance scheme from its commencement on the 1st February 1884 to the 31st March 1885, covering the period of the first 14 months of its existence. This report shows that the total number of policies effected up to the 31st March 1885 was 398, representing a total value of 5,63,225 rupees, or an average of 1,415 rupees for each policy. Deducting lapses or policies surrendered or cancelled, the aggregate amount assured stood at 5,47,575 rupees on the 31st March 1885. The scheme of Life Insurance would seem to have made good progress in the Postal Circles of Bengal, Madras, Bombay, and Assam. The number of policies taken out in the Bengal Circle was 91, in Madras 73, in Bombay 52, and in Assam 43. In other parts of India the scheme at present is little appreciated. Of the total number of policies effected, 41 were for Europeans and Eurasians, and 357 for natives.

The scheme of Life Insurance provided three ways of insurance: (1) by a single payment; (2) by a monthly payment, until the person insured reached the age of either 50 or 55; (3) by a monthly payment during the life of the person insured, and two kinds of monthly allowances, viz., "immediate" and "deferred."

The system of monthly allowances does not seem to have found favour at all, as only four monthly allowances of the aggregate monthly income of 18 rupees were purchased during the period; two of which were immediate monthly allowances, and two deferred. But the system of Life Insurance has, it would appear, attained a fair measure of success. On the margin is given an abstract shewing the strength of the Postal Department on the 31st March 1885, and the number of policies taken out by the several classes into which the postal officials are divided, with the percentage of lives insured in each class. Out of a total of 37,646 employés in the Postal Department, no less than 25,850 belonged to the grades of postmen, runners, and boatmen, whose means leave but small margin for saving; 44 postmen and 11 members of the road establishment insured their lives.

On 31st March 1885.

	Number.	Number of Life Insurance Policies taken out.	Percentage.
POSTAL OFFICIALS.			
Superintendents and Inspectors	332	38	11·44
Postmasters, Deputy Postmasters, and Village Postmasters	4,937	123	2·49
Schoolmasters and other extraneous agencies	1,221	—	—
Clerks	4,900	177	3·60
Postmen, village postmen, &c.	13,437	44	·33
Road establishments	12,413	11	·09
Signallers, clerks, &c., in combined offices	397	5	1·26
TOTAL	37,646	398	1·06

From 1st April 1885 to 31st January 1886 the additional number of policies issued was 140, of which the aggregate value was 1,55,450 rupees.

47. The following paragraphs contain explanation on some of the more important differences between Revenue and Expenditure in the years 1885-86 and 1886-87. In the former year the comparison is between the Budget Estimate of 1885-86 and the Revised Estimate for 1885-86; in the later year, the comparison is between the Budget Estimate of 1886-87 and the Revised Estimate of 1885-86. It was said in last year's Financial Statement that the explanations given under this head would in future be fewer and more summary. The items included in the following explanation are:—

Explanation of differences between Budget Estimates and Revised Estimates of 1885-86.

1885-86 (REVENUE).	Increase.	Decrease.	1885-86 (EXPENDITURE).	Increase.	Decrease.
	£.	£.		£.	£.
Land Revenue	59,200	—	Land Revenue	- -	58,800
Opium	- -	110,800	Opium	630,800	—
Salt	- -	90,300	Provincial Rates	- -	66,400
Mint	142,600	—	General Administration	98,000	—
State Railways	615,000	—	Law and Justice	- -	95,300
Guaranteed Companies	284,000	—	Political	463,200	—
			State Railways	210,700	—
			Buildings and Roads (Civil Works)	- -	430,300

REVENUE.

Land Revenue (I.)—Increase 59,200 *l.* This is the net result of variations in the several Provinces, the principal of which are—Decrease in British Burma (24,000 *l.*), increase in Bengal (60,000 *l.*), decrease in Madras (68,800 *l.*), and increase in Bombay (88,100 *l.*).

The decrease in Burma is due to delays in collection owing to the present disturbed condition of the country.

In Bengal the increase is on account of recovery of arrears.

The reduction in Madras is attributable to the unfavourable season of 1884-85 having been followed by the complete failure of the early monsoon in several of the districts in 1885-86. In the former year a large amount of revenue was suspended owing to the partial failure of crops, credit being taken in the Estimate of 1885-86 for the collection of the arrears; but, owing to a deficient rainfall, the expectations in respect of recovering arrears have not been realised.

Of the increase in Bombay, 55,300 *l.*, expected as rent of resumed police service lands and service commutations, is nominal, as it is counterbalanced by an equivalent increase of expenditure under 4, Assignments and Compensations, and 20, Police. The balance represents expected general improvement in the collections of the year.

Opium (II.)—Decrease 110,800 *l.* Of this decrease 80,000 *l.* occurs under Bombay, and is due to the exports of Malwa opium during the year having fallen short of the estimate. Under Bengal there is a decrease of 26,300 *l.*, resulting from the sales having produced an average of *Rs.* 1,234. 10. 6. per chest, against *Rs.* 1,236. 11. 6., the figure taken in the estimate, and from short receipts under Opium issued to the Excise Department, and under Miscellaneous Opium receipts.

Salt (III.)—Decrease 90,300 *l.* This decrease is the net result of the following differences:—

	Increase.	Decrease.
	£.	£.
India, General	-	365,900
Central Provinces	26,100	—
British Burma	-	900
Bengal	-	40,000
Madras	-	45,300
Bombay	335,700	—
£.	361,800	452,100

The decrease under India General and the increase in Bombay are due to the same cause, viz., the raising of the price of salt at Sambhar from 2½ annas to eight annas a maund in order to prevent exhaustion of the stock in hand. The stock in hand was very low owing to an unfavourable season for manufacture in 1884-85. The raising of the price led to a reduction in the consumption of Sambhar salt, its place being taken by Baragara salt from Bombay. The increase under Central Provinces represents receipts on account of Baragara Salt Revenue paid into the Central Provinces instead of into Bombay Treasuries. This figure must be taken with the figure under Bombay in determining the effect of diverting the salt trade from Northern India to Bombay.

In Bengal the decrease has occurred through the cessation of manufacture in the 24-Pergunnahs owing to accumulation of stocks. The reduction in Madras is partly due to a wider extension of the credit system, which throws part of the revenue of one year into the next, and to the substitution, to a greater degree than was anticipated, of the excise for the monopoly system, by which both the Expenditure and Revenue sides of the Accounts are relieved, the one of the cost of manufacture and the other of the selling price.

Mint (XV.)—Increase 142,600 *l.*, due to higher receipts from seignorage duty on coining silver, and from gain on copper coinage resulting from a greater amount of copper coin passing into circulation than was anticipated at the time the Budget was framed.

State

State Railways (*Gross Traffic Receipts*) (XXVI.)—Increase 615,000 *l.* This is the net result of a series of figures, of which the principal are, an increase of 150,000 *l.* in the East Indian Railway, of 175,000 *l.* in the Rajputana-Malwa State Railway, of 15,000 *l.* in the Northern Bengal State Railway, of 52,500 *l.* in the Bengal Central Railway, and of 402,500 *l.* in the North Western Railway. As a set-off against these are decreases of 33,000 *l.* in the Burma State Railways, of 97,500 *l.* on the Eastern Bengal, 11,000 *l.* in the Tirhoot, and 25,000 *l.* in the Cawnpore-Achnera Railways, and of 11,200 *l.* in the Umeria Colliery. The increase in the East Indian and Northern Bengal Railways is due to the improvement of traffic since the Budget was prepared. The North Western Railway was constituted, on the 1st January 1886, by the amalgamation of the two sections of the Punjab Northern State Railway, the Indus Valley State Railway, and the southern section of the Sind-Pishin Railway, with the Sind, Punjab, and Delhi Railway, which became the property of the State from that date; and the Accounts and Estimates, which were hitherto dealt with separately for each section, are now prepared for the entire railway system. The Revised Estimate provides for the earnings of the old Sind, Punjab, and Delhi Railway for the last three months of the year, and for the earnings of the other lines for the whole year. The increase is due to the traffic arising from the Rawal Pindi Durbar, and extensive military preparations during the earlier months of the year; to the large quantities of material carried for the frontier railways; and to an improvement in the wheat traffic. The Bengal Central Railway is brought under State Railways for the first time, under a new arrangement entered into with the company. No provision was made in the Budget Estimate for receipts from this railway, because of its having been previously classified as a subsidised railway; the present increase, therefore, represents the estimated gross earnings of the line. The decrease in the Burma State Railways is the result of the generally unsettled state of the country, and also of the crops having suffered during the past season. In the Eastern Bengal Railway the decrease is mainly due to the loss of traffic in consequence of breaches in the line in September 1885, and the reduction in rates forced by the competition of the steamer companies; in the Tirhoot State Railway to the failure of the crops in 1885, and to a portion of the Kosi extension not being opened for traffic, as anticipated; in the Cawnpore and Achnera State Railway chiefly to loss of traffic, occasioned by breaks which occurred on the railway; in the Umeria Colliery to the difficulty of placing the coal in the market, owing to the absence of means of communication with the railway systems.

Guaranteed Companies (*Net Traffic Receipts*) (XXVII.)—Increase 284,000 *l.* This is the net outcome of the following figures:—

———	Increase.	Decrease.
	£.	£.
Madras Railway - - - - -	45,000	—
South Indian Railway - - - -	- -	17,500
Bombay, Baroda, and Central India Railway	20,000	—
Great Indian Peninsula Railway - - -	120,000	—
Oudh and Rohilkhund Railway - - -	- -	31,000
Sind, Punjab, and Delhi Railway - -	147,500	—

Land Revenue (3).—Decrease 58,800 *l.* This is the result of increases and decreases in the various provinces. The chief increase occurs in the Punjab, followed by decreases in India General, in the Central Provinces, in the North Western Provinces and Oudh, and in Madras. The increase in the Punjab is partly nominal, and is due to payments on account of patwaris being shown under this head, set off by corresponding credits under Provincial Rates, where the fees realised on account of patwaris are credited. The decrease under

EXPENDITURE.

India General is also partly nominal, being due to a transfer to General Administration of a portion of the collectors' establishments on account of local funds. The decrease in the Central Provinces occurs in survey and settlement charges, and that in the North Western Provinces and Oudh chiefly in allowances to district and village officers. In Madras the decrease amounts to 55,400 *l.*, and is principally due to the expected revision of the revenue establishments provided for in the original Estimate not being carried out.

Opium (4).—Increase 630,800 *l.* This occurs almost entirely in Bengal, and is due to the outturn of the season 1884-85 having proved larger than was anticipated when the Budget Estimate for 1885-86 was framed.

Provincial Rates (8).—Decrease 66,400 *l.* This arises principally in the Punjab, and is nominal, being the result of the transfer of charges on account of patwaris from Provincial Rates to Land Revenue and General Administration.

General Administration (18).—Increase 98,000 *l.* Of this increase 50,300 *l.* arises in India, 26,900 *l.* in England, and 20,800 *l.* in Exchange. The principal increases in India occur in the Central Provinces and the Punjab, and are nominal, being due to the adjustment against this head in the Revised Estimate of patwari charges, for which provision was made in the Budget Estimate under 3. Land Revenue in the case of the Central Provinces, and under 8. Provincial Rates in the Punjab.

Law and Justice (19).—Decrease 95,300 *l.* The decrease is general, and is due principally to a lower convict population and to restricted jail manufactures during the year.

Political (25).—Increase 463,200 *l.* The increase occurs chiefly in India General, in the Punjab, and in Bombay. The largest increase is in India General, and amounts to 409,900 *l.* Of this 200,000 *l.* are due to extra subsidies sanctioned for the Amir of Afghanistan, 190,100 *l.* to the Afghan Delimitation Commission, and 14,900 *l.* to presents made to native chiefs. In the Punjab the increase amounts to 34,500 *l.*, of which 28,900 *l.* are due to the Rawal Pindi Durbar, and 6,000 *l.* to the Gilgit and Kashgar missions, followed by petty decreases under other heads. The increase in Bombay arises principally from provision having been made under this head for expenditure against the revenue of Bulhar and Berbera credited under Miscellaneous.

State Railways (*Working Expenses*) (38).—Increase 210,700 *l.* The increase is the result of a series of figures of which the following are the principal items:—

———	Increase.	Decrease.
	£.	£.
East India Railway - - - - - - - - -	- -	36,500
Rajputana-Malwa Railway - - - - -	42,500	—
Nagpur and Chattisgarh Railway - - - -	18,000	—
Eastern Bengal Railway - - - - - -	50,000	—
Bengal Central Railway - - - - - -	56,500	—
North Western Railway - - - - - -	40,000	—

Buildings and Roads (*Civil Works*) (42).—Decrease 430,300 *l.* This is principally due to the restriction of expenditure on Public Works in consequence of the orders issued in Finance Department Resolution, No. 552, dated 29th April 1885, regarding reduction of expenditure by Local Governments and Departments in view of the expenditure on military preparations.

BUDGET 1886-87, COMPARED WITH THE REVISED, 1885-86.

48. The items of difference in the year 1886-87 on the Revenue and Expenditure Account selected for explanation below are,— Explanation of difference between Budget Estimate, 1886-87, and Revised Estimate of 1885-86.

1886-87 (REVENUE).	Increase.	Decrease.	1886-87 (EXPENDITURE).	Increase.	Decrease.
	£.	£.		£.	£.
Land Revenue - - -	366,900	—	Land Revenue - - -	203,200	
Opium - - - -	312,900	—	Opium - - - -	- -	459,700
Salt - - - - -	82,800	—	Telegraph - - - -	- -	111,300
Forest - - - -	101,000	—	Law and Justice - - -	125,100	
Mint - - - - -	- -	86,500	Police - - - -	174,600	—
State Railways (Gross Earnings) - - - -	1,036,100	—	Marine - - - -	131,500	—
Guaranteed Companies (Net Traffic Receipts) - .	- -	510,500	Education - - - -	78,600	—
Buildings and Roads (Military Works) - - -	147,200	—	Construction of Railways (Revenue) - - -	- -	521,000
			State Railways (Working Expenses) - - -	829,000	—
			Buildings and Roads (Military Works) - - -	158,700	—
			Buildings and Roads (Civil Works) - - - -	587,700	

Land Revenue (I.)—Increase 366,900 *l.* An increase of 516,000 *l.* occurs under British Burma, of which sum 515,000 *l.* represents revenue expected from Upper Burma. The balance of the increase is due to the expected realisation of the arrears of revenue in 1885-86, to improved receipts expected from rents of fisheries on resumption of trade with Upper Burma, and from the capitation tax owing to ordinary development of population. The chief decreases are, 122,400 *l.* in Bombay, 54,200 *l.* in Bengal, and 24,300 *l.* in Madras, and are almost entirely ascribable to collections of arrears of previous years. The variations under the remaining provinces call for no special remark. REVENUE.

Opium (II.)—Increase 312,900 *l.* The Budget provides for the sale of 55,500 chests of Bengal opium in 1886-87 against 50,994 chests, the quantity sold in 1885-86 and taken credit for in the Revised Estimate of that year. After allowing for the probable effect on the Malwa opium trade of increased sale of Bengal opium, and taking into account the credits under opium expected in the Punjab owing to its supply of opium being in future obtained from the Benares factory instead of from Malwa direct, it is expected that the revenue in 1886-87 will show an increase of 312,900 *l.* compared with the amount provided in the Revised Estimate.

Salt (III.)—Increase 82,800 *l.*, being the net result of the following variations :—

	Increase.	Decrease.
	£.	£.
India, General - - - - - - - -	364,700	—
Central Provinces - - - - - - -	5,900	—
British Burma - - - - - - - -	15,900	—
Bengal - - - - - - - -	2,000	—
Bombay - - - - - - - - -	- -	305,700
TOTAL - - - £.	388,500	305,700

The Budget Estimate for 1886-87 provides for a moderate increase over the revised of 1885-86, which was below the original Estimate by 90,300 *l.* The increase of 364,700 *l.* in Northern India is based on the expectation that the consumption of Sambhar salt, which fell off considerably in 1885-86 owing to a restricted supply, will regain its normal dimensions. The expected return of the Northern India salt trade to its old channel brings about the reduction of 305,700 *l.* under Bombay, as there will necessarily be a reduction in the

consumption of Baragara salt, which temporarily took the place of Sambhar Lake salt. The increase of 15,900 *l.* in British Burma represents increased revenue expected from Upper Burma.

Forest (IX.)—Increase 101,000 *l.* The principal increases are, British Burma 72,200 *l.*, Bengal 15,000 *l*, and Punjab 10,500 *l.* The increase in British Burma is due to the provision of 90,000 *l.* for Upper Burma, the Estimate for the province proper being fixed at 17,800 *l.* below the Revised, in consequence of the low range of prices prevailing for teak timber and reduced production in the Tenasserim Circle. In Bengal the increase is on account of expected larger sales. In the Punjab the provision of increased facilities of transport is leading to an expansion of revenue.

Mint (XV.).—Decrease 86,500 *l.* The year 1885–86 was one of very heavy imports of silver into India. It is not expected that the imports in 1886–87 will equal those of the preceding year, and a lower figure has consequently been adopted for seignorage duty for coining silver.

State Railways (*Gross Earnings*) (XXVI.)—Increase 1,036,100 *l.* The Budget Estimate of 1886-87 provides for an improvement of 1,036,100 *l.* compared with the Revised Estimate of 1885–86. This improvement is general, as every railway, with the exception of the North Western Railway, is expected to earn more in 1886-87 than in the previous year. This railway is expected to earn 367,500 *l.* less in 1886-87 than in 1885–86, as the heavy traffic in Government stores is not likely to continue. The apparent increase of 700,000 *l.* in the Budget Estimate, as compared with the Revised Estimate of the current year, is due to the revenue of old Sind, Punjab, and Delhi being shown under this head for the whole year instead of three months only. The main increases are,—

	£.
(1.) East Indian Railway	50,000
(2.) Umeria Colliery	22,500
(3.) Burma State Railways	23,000
(4.) Eastern Bengal Railway	97,500
(5.) Tirhoot State Railway	12,500
(6.) Naraingunge-Dacca-Mymensingh Railway	23,500
(7.) North Western Railway	700,000
(8.) Bellary-Kistna Railway	11,500
(9.) Southern Mahratta Railway	60,000

Guaranteed Railways (*Net Traffic Receipts*) (XXVII.)—Decrease 510,500 *l.* This reduction is in large part nominal, as it is due to the inclusion under this head in the Revised Estimate of 1885-86 of 467,500 *l.* as net receipts of the Sind, Punjab, and Delhi Railway for the first nine months of the year. Excluding, therefore, the Sind, Punjab, and Delhi Railway, which became a State Railway from the 1st January 1886, the rest of the differences are given below:—

———	Increase.	Decrease.
	£.	£.
Madras Railway	—	45,000
South Indian Railway	3,500	—
Bombay, Baroda, and Central India Railway	5,000	—
Great Indian Peninsula Railway	—	50,000
Oudh and Rohilkhund Railway	43,500	—

Buildings and Roads (*Military Works*) (XXX.)—The Budget Estimate of 1886-87 shows an increase of 147,200 *l.*, the result of the following differences:—

	£.
India General	+150,000
Bombay	— 2,800

The

The increase is due to an expected payment by His Highness the Maharaja Sindia in 1886-87 of 15,00,000 rupees as compensation for the cantonment buildings at Morar. The decrease is chiefly due to the exclusion from the Budget Estimate of 1886-87 of abnormal items brought to credit in 1885-86.

Land Revenue (3); increase 203,200*l.* The increase is general, and the principal items are—British Burma 85,000*l.*, Bengal 46,300*l.*, Punjab 21,100*l.*, Central Provinces 19,100*l.* The increase in British Burma is due to the provision made for extra establishment and collection and other charges necessitated by the annexation of Upper Burma. In Bengal the excess is chiefly under Revenue Surveys, and is owing to extra demarcation work to be undertaken in the Mozufferpore District. For the Punjab the Budget Estimate of 1885-86 is reproduced for all the heads of expenditure except allowances to village officers, against which extra provision is made to meet the cost of extending to new districts the system of paying patwaris' establishments from fees credited to Government. The increase on this account is therefore nominal, as it follows an increase of revenue to a corresponding extent. The increase in the Central Provinces is in consequence of the appointment of extra settlement establishments to undertake the revision of the settlement of the Province. EXPENDITURE.

Opium (4); decrease 459,700*l.* In the Revised Estimate 63,000*l.* has been provided for in excess of the Budget Estimate to meet the cost arising out of the abnormally large outturn of the past season. For 1886-87 the estimated expenditure has been fixed for a smaller outturn of opium.

Telegraph (16); decrease 111,300*l.* Compared with the Revised Estimate for 1885-86, the Budget Estimate for 1886-87 shows a decrease of 111,300*l.*, made up as follows:—

	Increase.	Decrease.
	£.	£.
India	49,900	—
England	-	124,600
Exchange	-	36,600
TOTAL £.	49,900	161,200
	£. 111,300	

The increase may be further sub-divided as follows:—

	India.	England.	TOTAL.
	£.	£.	£.
Indian Telegraph	+49,800	—46,000	+3,800
Indo-European Telegraph	+100	—78,600	—78,500
Exchange	-	-	—36,600
TOTAL £.	+49,900	—124,600	—111,300

In the Indian Telegraph the increase in the number of combined offices has led to a larger provision for capital expenditure in 1886-87, but on the other hand the extensions will be fewer, and the provision for English stores has been much reduced. The increase is also due to extra provision for establishment on account of progressive salaries, an increased number of signallers, and increased rates of pay to certain classes of officers; and for tools and plant to meet the requirements of new offices.

The decrease on the Indo-European Telegraph occurs chiefly in England, and is due to the expenditure during the current year being very large on account of the new Persian Gulf Cable between Jask and Bushire.

Law and Justice (19); increase 125,100 *l.* The principal increase is 63,900 *l.* in British Burma, of which 58,000 *l.* is provided for Upper Burma as under:—

	£.
For Criminal Courts - - - - - - - -	38,000
„ Jails - - - - - - - - -	20,000

The balance is partly on account of the appointment of an additional Recorder, and partly to meet extra expenditure expected in consequence of an increase to the convict population of the Province.

The chief reasons for the increases in the other Provinces are as follow:—

In the Punjab, owing to important changes in the scale of Judicial establishments; Madras, to the proposed entertainment of departmental jail guards in lieu of police guards; and in the Central Provinces, to the reorganisation of the Judicial Department and the restoration to the Province of a Deputy Commissionership of the 1st grade withdrawn in 1878.

Police (20); increase 174,600 *l.* This is composed chiefly of 139,900 *l.* in British Burma and 25,200 *l.* in Bombay. Of the increase in British Burma 130,000 *l.* is provided for Upper Burma, and the balance to meet extra expenditure on establishments and equipments of the District Executive Force. The increase in Bombay is due to the transfer of the cost of Excise Police to this head and to the entertainment in the ensuing year of additional police sanctioned.

Marine (21); increase 131,500 *l.* This is divided as follows:—India 39,700 *l.*, England 66,900 *l.*, Exchange 24,900 *l.* Of the increase in India 15,000 *l.* is provided for the cost of three steamers and six launches for Upper Burma, and the balance for certain important works to be undertaken in the Kidderpore Dockyard for State Railways and the Forest Department and for new boilers for the "Irrawaddy." The increase in England is intended to meet the cost of a new vessel and increased demands for stores for India.

Education (22); increase 78,600 *l.* This is made up of increases in all the Provinces except Madras, and follows the special reductions made in the previous year by reason of financial pressure. The principal increase is 32,000 *l.* in Bombay, and is due to certain special grants-in-aid, and to increased expenditure on the Guzerat and Sindh Colleges. The variations in the other Provinces are unimportant.

Construction of Railways (*charged against Revenue in addition to that under Famine Insurance*) (36); decrease 521,900 *l.* The Revised Estimate for 1885-86 provides for outlay as follows:—

		£.
Imperial - - - - - - - -		500,000
Provincial - - - - - - - -		131,100
	£.	651,100

In the Budget Estimate for 1886-87 no provision has been made under Imperial, owing to the decision of Government that expenditure on Frontier Railways should cease to be a charge against Revenue, and should be met from borrowed capital; 109,230 *l.* are provided for outlay under Provincial, of which 102,900 *l.* are for expenditure on the Lucknow-Sitapore-Kheri Railway, and the balance on other Provincial lines under construction.

State Railways (*Working Expenses*) (37); increase 829,000 *l.* The principal increases are as follows:—

Rajputana-Malwa Railway, 30,000 *l.*, due to a provision of 20,000 *l.* on account of Income Tax, and to an increase of 10,500 *l.* in the provision for payment to the Bombay, Baroda, and Central India Railway, on account of surplus profits.

Umeria

Umeria Colliery, 12,500 *l.*, to cover the cost of the increased output expected in 1886-87. Owing to the railway to the colliery being opened in the year, the demand for coal is expected to increase considerably.

Naraingunge-Dacca-Mymensing Railway, 14,500 *l.* To provide for working the entire length of the line, which was opened for traffic on the 15th February 1886.

North-Western Railway, 525,000 *l.* The Revised Estimate for 1885-86 provides for the working expenses of the Sind, Punjab, and Delhi Railway for the last quarter of the year only. The Budget Estimate for 1886-87 includes the transactions of the whole year, and this fact accounts for the increase.

Southern Mahratta Railway, 42,500 *l.*, due to provision being made for working an average open mileage of 505 miles, as compared with an average of 291 miles opened during 1885-86.

Buildings and Roads.—Military Works (44); increase 158,700 *l.* This is chiefly due to a special provision of 150,000 *l.* for additional military accommodation rendered necessary by the increase to the Indian Army; 4,600 *l.* have also been provided for the new Pay and Pension Offices at Bombay.

Buildings and Roads.—Civil Works (45); increase 587,700 *l.* The increase may be divided as follows:—

	£.
Imperial - - - - - - - -	252,400
Provincial - - - - - - - -	243,600
Local - - - - - - - - -	91,700
£.	587,700

The increase under Imperial is chiefly due to the following special grants sanctioned for 1886-87:—

	£.
Frontier Roads - - - - - -	200,000
Civil Works in Upper Burma - - -	100,000

The increase under Provincial arises from increased assignments having been sanctioned for outlay on Public Works in Bombay and Bengal, and from provision having been made in Madras for the construction of a number of Civil buildings, principally Collectors' and Tehsildars' Offices and Court-houses, urgently required in the Presidency. Under Local the increase is generally ascribable to large assignments having been made available for expenditure in 1886-87.

Ways and Means.

49. In the Financial Statement for 1885-86, it was anticipated that the year 1885-86 would open with a balance in the Indian Treasuries of 11,920,026 *l.*, that the Secretary of State would draw 13,773,700 *l.* (true sterling) during the year, and that the year 1885-86 would close on 31st March 1886 with a balance in the Indian Treasuries of 10,204,526 *l.* Ways and Means.

The opening balance of 1885-86 proved to be 12,540,532 *l.* The heavy expenditure incurred in 1885-86 on account of war preparations and other causes of less importance made it necessary for the Secretary of State to reduce the total amount of his estimated drawings, and they will now probably amount, for the whole year 1885-86, to only 10,492,800 *l.* (true sterling); the year is expected to close with a balance of 12,401,932 *l.*

A loan for Public Works and for the discharge of the Indian Transfer Loan on 25th April 1886, as well as for paying off certain Eastern Bengal Railway debentures, will be required during the year, and will probably be raised in London; but the Government of India also intends to raise a loan of about 120 lakhs of rupees in India, in order to meet the cost of construction of the Calcutta and Bombay Docks. The latter loan is raised under the orders of the Secretary of State for India. Although the intentions of Government in regard to borrowing are as now explained, it will of course be understood that, according to the usual custom, no pledge is, or can be, given regarding time, place, or amount of borrowing.

The Secretary of State is expected to draw during the course of 1886-87 13,331,400 *l.* (true sterling), and the aggregate balance in the Indian Treasuries at the close of the year 1886-87 is expected to be 10,617,432 *l.*, irrespective of any balance of the loans for the Calcutta and Bombay Docks which may not have been withdrawn from the Public Treasury on 31st March 1887.

Summary.

50. The following is a summary of the chief points in the foregoing Statement:—

The Accounts have been recast with the object of distributing exchange among the different heads to which it appertains; exchange is calculated on the basis of the actual rate obtained by the Secretary of State for bills and transfers sold during the year, and the general account for India and England is now essentially a silver or rupee account.

The uncertainty in respect of exchange makes it impossible to assure, or to take effective measures for maintaining, equilibrium between Revenue and Expenditure.

The Accounts of 1884-85 show a deficit of 386,446 *l.*, according to the revised form of account. The deficit of 716,200 *l.* shown in the Revised Estimates of 1884-85 according to the old system of account, would now, according to that form, be reduced to 149,735 *l.*

The Revised Estimate of 1885-86 shows a deficit of 2,890,800 *l.* This deficit is wholly due to war preparations during that year, to increased political expenditure, and to the expedition to Burma.

The Estimates for 1886-87 give a surplus of 182,200 *l.* They include a contribution of 400,000 *l.* from the surplus of Provincial Revenues during the year. The expenditure connected with increase to the army, and with the construction of military railways and works, and the provision of corresponding resources, make the Budget for 1886-87 a new departure. There are good grounds for believing that the coming year has been sufficiently provided for; but greater experience must be acquired before the limits of the resources to be found in view of the increased expenditure are definitely fixed.

The Income Tax is estimated to yield a gross return of 1,458,100 *l.*, and to effect a net improvement in our financial position of 765,100 *l.* The railways show considerably increased receipts, but the net loss on the whole railway system is greater in 1886-87 than in previous years, owing to the activity which is being shown in the construction of works by the State, or by Guaranteed Companies.

The prospects of the opium crop are very good. The reserve expected at the close of the year amounts to 29,200 chests. The price of Bengal opium during 1886-87 has been taken at 1,200 rupees per chest. The net Opium Revenue of 1886-87 has been taken at 6,577,100 *l.* The new Opium Convention with China will probably take effect during the ensuing year. Due notice will be given of the amount of Bengal opium to be sold in 1887.

The net army expenditure for 1886-87 in India and in England is estimated at 17,424,300 *l.*, being an increase of 1,613,500 *l.* over the Budget Estimates of 1885-86; the increase is partly due to the fall in the rate of exchange. The estimated additional military expenditure to be incurred in subsequent years is 656,900 *l.*

Expenditure under the Famine Insurance Grant of 1885-86 amounted to 1,500,000 *l.* In 1886-87 it is estimated at 1,361,300 *l.*; 138,700 *l.* having been assigned to payment of interest during the ensuing year to the Indian Midland Company.

Salt shows a very marked falling off in 1885-86; the increase in consumption in that year over the preceding year being 64,000 maunds only, as against corresponding

corresponding increases of 1,603,000, 973,000, and 693,000 maunds respectively, in 1882-83, 1883-84, and 1884-85.

There was a considerable falling off in the import of gold, and an increase in the import of silver in 1885-86.

District and Post Office Savings Banks will be amalgamated from 1st April 1886. The Post Office Insurance scheme, introduced in February 1884, is giving good results.

The rate of exchange for 1886-87 has been taken at 1 *s.* 6 *d.*, and provision made for drawings, by the Secretary of State, to the amount of 13,331,400 *l.* (true sterling). The opening balance of 1886-87 in India is expected to be 12,401,932 *l.*, and the closing balance to be 10,617,432 *l.*, exclusive of any balance of the Dock Loan undrawn at that date.

It is intended that the Public Works Loan, as well as the money required for paying off certain existing debt, should be raised in England this year, and a loan of about 120 lakhs of rupees will probably be raised in India to provide funds for the construction of docks at Bombay and Calcutta. The latter arrangement is made under the orders of the Secretary of State. No pledge as to time, place, or amount of borrowing can be given.

24 March 1886. *A. Colvin.*

APPENDICES.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

Accounts - - - - -	1884-85.
Revised Estimates - - -	1885-86.
Budget Estimates - - -	1886-87.

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GENERAL STATEMENT of the ACCOUNTS and ESTIMATES of the GOVERNMENT of INDIA,

[£. 1 is recorded for every 10 rupees, in respect of

	For Details, *vide* Statement.	RECEIPTS.			
		Accounts, 1884–85.	Budget Estimate, 1885–86.	Revised Estimate, 1885–86.	Budget Estimate, 1886–87.
REVENUE:		£.	£.	£.	£.
Principal Heads of Revenue:					
Land Revenue	-	21,832,211	22,334,200	22,393,400	22,760,300
Opium	-	8,816,469	9,025,500	8,914,700	9,227,600
Salt	-	6,507,236	6,400,000	6,309,700	6,392,500
Stamps	-	3,606,622	3,633,400	3,655,600	3,694,400
Excise	-	4,011,867	4,070,000	4,119,600	4,134,800
Other Heads	A.	6,306,017	6,581,000	6,595,500	7,715,500
TOTAL, PRINCIPAL HEADS	„	51,080,422	52,044,100	51,988,500	53,925,100
Interest	„	711,011	672,000	690,600	644,200
Post Office, Telegraph, and Mint	„	1,797,846	1,799,800	1,988,000	1,914,100
Receipts by Civil Departments	„	1,373,144	1,426,900	1,439,700	1,433,800
Miscellaneous	„	723,885	887,900	1,076,900	763,100
Railways	„	11,898,131	12,550,400	13,449,400	13,975,000
Irrigation	„	1,675,975	1,540,500	1,528,600	1,621,600
Buildings and Roads	„	615,097	542,200	544,500	680,100
Receipts by Military Departments	„	815,170	863,800	891,900	841,700
TOTAL REVENUE	–	70,690,681	72,327,600	73,598,100	75,798,700
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net incurred)	C.	* 1,193,924	2,205,000	* 4,013,300	* 9,415,400
Unfunded Debt (net incurred)	„	958,409	648,400	623,100	478,200
Deposits and Advances (net)	„	1,132,006	470,300	2,418,800	733,500
Loans to Municipalities, Native States, &c. (net Recoveries).	„	24,051	308,100	100,500	—
Capital of Railway Companies (net Receipts)	„	—	—	3,848,600	—
Remittances (net)	„	—	170,300	1,228,100	—
Secretary of State's Bills drawn	„	13,758,909	13,773,700	10,492,800	13,331,400
TOTAL RECEIPTS	–	87,757,980	89,903,400	96,323,300	99,757,200
Balance on 1st April—India	–	13,199,926	11,920,026	12,540,532	12,401,932
England	–	4,113,221	2,213,121	2,249,378	4,777,978
GRAND TOTAL	–	105,071,127	104,036,547	111,113,210	116,937,110

* The Debt incurred includes, in 1884–85, 1,314,746 *l.* in respect of the Purchase of the Eastern Bengal Railway and Redemption of Liabilities, and in 1885–86 and 1886–87, respectively, 1,089,000 *l.* and 4,844,200 *l.* in Redemption of Liabilities. *See* entries under "Expenditure not charged to Revenue."

Fort William, Department of Finance and Commerce,
24 March 1886.

E. W. Kellner,
Deputy Comptroller General.

REVENUE and EXPENDITURE, and RECEIPTS and DISBURSEMENTS, of the in INDIA and in ENGLAND.

Transactions in India, including those of "Exchange."]

	For Details, *vide* Statement.	DISBURSEMENTS. Accounts, 1884-85.	Budget Estimate, 1885-86.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.
EXPENDITURE:		£.	£.	£.	£.
Direct Demands on the Revenues	B.	9,559,055	9,325,700	9,802,500	9,675,200
Interest	„	4,619,443	4,211,400	4,318,300	4,250,300
Post Office, Telegraph, and Mint	„	2,145,249	2,313,700	2,317,100	2,227,500
Salaries and Expenses of Civil Departments	„	11,743,167	11,897,600	12,237,900	12,354,900
Miscellaneous Civil Charges	„	4,315,929	4,526,000	4,543,100	4,848,600
Famine Relief and Insurance	„	1,548,357	1,500,000	1,500,000	1,301,300
Construction of Railways (charged against Revenue, in addition to that under Famine Insurance).	„	263,501	793,800	631,100	109,200
Railway Revenue Account	„	12,949,306	13,709,200	14,231,800	15,696,700
Irrigation	„	2,248,984	2,225,600	2,306,000	2,352,900
Buildings and Roads	„	5,009,277	5,227,600	4,702,900	5,449,300
Army Services	„	16,963,803	16,674,600	19,724,300	18,266,000
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	–	71,366,071	72,405,200	76,375,000	76,591,900
Add,—Provincial Surpluses, that is, portion of Allotments to Provincial Governments not spent by them in the year.	End of B.	73,840	28,000	357,300	—
Deduct,—Provincial Deficits, that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	—362,784	—753,100	—243,400	—975,400
TOTAL EXPENDITURE charged against REVENUE	–	71,077,127	71,681,000	76,488,900	75,616,500
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works	End of B.	4,226,613	4,575,100	5,533,100	5,427,100
Special Defence Works	„	—	—	—	441,700
Capital Charge involved in Redemption of Liabilities	„	1,314,746	—	1,080,000	4,844,200
DEBT, DEPOSITS, AND ADVANCES:					
Deposits and Advances (net)	C.	—	—	—	—
Loans to Municipalities, Native States, &c. (net Payments).	„	—	—	—	897,600
Capital of Railway Companies (net Payments)	„	391,958	1,106,100	—	3,162,000
Remittances (net)	„	349,441	—	—	135,400
Secretary of State's Bills paid	„	12,921,332	13,773,700	10,822,300	13,331,400
TOTAL DISBURSEMENTS	–	90,281,217	91,135,900	93,933,300	103,855,900
Balance on 31st March—India	–	12,540,532	10,204,526	12,401,932	10,617,432
England	–	2,249,378	2,696,121	4,777,978	2,463,778
GRAND TOTAL	–	105,071,127	104,036,547	111,113,210	116,937,110
Revenue		70,690,681	72,327,600	73,598,100	75,798,700
Expenditure chargeable thereon		71,077,127	71,681,000	76,488,900	75,616,500
Surplus + or Deficit —		—386,446	+646,600	—2,890,800	+182,200

E. Gay,
Officiating Comptroller General.

D. Barbour,
Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	ACCOUNTS, 1884–85.					REVISED	
	India.		England.	Exchange.*	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
PRINCIPAL HEADS OF REVENUE:	£.	£.	£.	£.	£.	£.	£.
I.—Land Revenue	13,131,739	8,700,472	- -	- -	21,832,211	13,372,700	9,020,700
II.—Opium	8,816,469	- -	- -	- -	8,816,469	8,914,700	- -
III.—Salt	6,476,127	31,109	- -	- -	6,507,236	6,274,500	35,200
IV.—Stamps	1,823,082	1,783,540	- -	- -	3,606,622	1,847,500	1,808,100
V.—Excise	2,031,538	1,980,329	- -	- -	4,011,867	2,086,200	2,033,400
VI.—Provincial Rates	860	2,790,601	- -	- -	2,791,461	2,400	2,880,300
VII.—Customs	897,348	132,595	- -	- -	1,029,943	983,700	163,900
VIII.—Assessed Taxes	255,927	255,901	- -	- -	511,828	257,500	257,500
IX.—Forest	440,782	544,004	1,768	430	986,984	470,800	580,300
X.—Registration	144,139	142,645	- -	- -	286,784	152,900	151,400
XI.—Tributes from Native States	699,017	- -	- -	- -	699,017	693,600	- -
Total £.	34,717,028	16,361,196	1,768	430	**51,080,422**	35,056,500	16,930,800
XII.—Interest	635,675	31,941	34,912	8,483	**711,011**	646,300	32,300
POST OFFICE, TELEGRAPH, AND MINT:							
XIII.—Post Office	1,043,177	3,953	- -	- -	1,047,130	1,098,900	4,400
XIV.—Telegraph	541,058	371	23,430	5,693	570,552	575,400	400
XV.—Mint	180,139	- -	20	5	180,164	267,600	- -
Total £.	1,764,374	4,324	23,450	5,698	**1,797,846**	1,941,900	4,800
RECEIPTS BY CIVIL DEPARTMENTS:							
XVI.—Law and Justice	33,740	512,319	- -	- -	546,059	51,600	510,700
XVII.—Police	4,076	315,324	- -	- -	319,400	5,000	318,000
XVIII.—Marine	64,126	101,848	- -	- -	165,974	110,500	110,100
XIX.—Education	1,466	201,825	- -	- -	203,291	1,200	193,400
XX.—Medical	3	50,022	2,461	598	53,084	- -	53,600
XXI.—Scientific and other Minor Departments.	18,309	66,265	613	149	85,336	22,000	59,800
Total £.	121,720	1,247,603	3,074	747	**1,373,144**	190,300	1,245,600
MISCELLANEOUS:							
XXII.—Receipts in aid of Superannuation, &c.	171,648	27,520	98,021	23,818	321,007	218,500	26,600
XXIII.—Stationery and Printing	7,759	39,782	- -	- -	47,541	6,200	44,500
XXIV.—Exchange	12,383	- -	- -	- -	12,383	259,900	- -
XXV.—Miscellaneous	66,992	264,695	9,064	2,203	342,954	67,800	278,800
Total £.	258,782	331,997	107,085	26,021	**723,885**	552,400	349,900
RAILWAYS:							
XXVI.—State Railways (Gross Earnings)	7,518,474	900,453	230	56	8,419,213	8,840,900	964,200
XXVII.—Guaranteed Companies (Net Traffic Receipts).	3,478,300	- -	- -	- -	3,478,300	3,644,000	- -
XXVIII.—Subsidized Companies (Repayment of Advances of Interest).	- -	- -	497	121	618	—	—
Total £.	10,996,774	900,453	727	177	**11,898,131**	12,484,900	964,200
IRRIGATION:							
XXIX.—Major Works: Direct Receipts	324,719	750,412	- -	- -	1,075,131	283,500	563,900
Portion of Land Revenue due to Irrigation.	465,817	- -	- -	- -	465,817	537,500	- -
XXX.—Minor Works and Navigation	26,587	108,440	- -	- -	135,027	29,300	114,400
Total £.	817,123	858,852	- -	- -	**1,675,975**	850,300	678,300
BUILDINGS AND ROADS:							
XXXI.—Military Works	40,415	- -	- -	- -	40,415	40,900	- -
XXXII.—Civil Works	29,422	522,614	18,219	4,427	574,682	7,000	470,600
Total £.	69,837	522,614	18,219	4,427	**615,097**	47,900	470,600
RECEIPTS BY MILITARY DEPARTMENTS:							
XXXIII.—Army: Effective	687,670	- -	64,436	15,657	767,763	768,100	- -
Non-effective	43,326	- -	3,283	798	47,407	44,900	- -
Total £.	730,996	- -	67,719	16,455	**815,170**	813,000	- -
TOTAL REVENUES £.	50,112,309	20,258,980	256,954	62,438	**70,690,681**	52,583,500	20,676,500

* The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, the Exchange thereon calculated in accordance with the average rate obtained, or estimated to be obtained, for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

Transactions in India, including those of "Exchange."]

ESTIMATE, 1885-86.			Increase + Decrease — of Revised as compared with Budget Estimates, 1885-86.	BUDGET ESTIMATE, 1886-87.					Increase + Decrease — of Budget, 1886-87, as compared with Revised Estimates, 1885-86.
				India.					
England.	Exchange.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.*	TOTAL.	
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	22,393,400	+ 59,200	14,254,800	8,505,500	- -	- -	22,760,300	+ 366,900
- -	- -	8,914,700	— 110,800	9,227,600	- -	- -	- -	9,227,600	+ 312,900
- -	- -	6,309,700	— 90,300	6,354,600	37,900	- -	- -	6,392,500	+ 82,800
- -	- -	3,655,600	+ 22,200	1,873,100	1,821,300	- -	- -	3,694,400	+ 38,800
- -	- -	4,119,600	+ 49,600	2,101,600	2,033,200	- -	- -	4,134,800	+ 15,200
- -	- -	2,882,700	+ 25,900	2,100	2,907,000	- -	- -	2,909,100	+ 26,400
- -	- -	1,147,600	— 27,400	1,006,300	166,900	- -	- -	1,173,200	+ 25,600
- -	- -	515,000	+ 100	1,200,600	257,500	- -	- -	1,458,100	+ 943,100
900	300	1,052,300	— 8,900	562,700	590,600	- -	- -	1,153,300	+ 101,000
- -	- -	304,300	+ 22,500	155,300	154,500	- -	- -	309,800	+ 5,500
- -	- -	693,600	+ 2,300	712,000	- -	- -	- -	712,000	+ 18,400
900	300	**51,988,500**	— 55,600	37,450,700	16,474,400	- -	- -	**53,925,100**	+ 1,936,600
9,100	2,900	**690,600**	+ 18,600	599,500	31,400	10,000	3,300	**644,200**	— 46,400
- -	- -	1,103,300	+ 1,600	1,151,400	5,700	- -	- -	1,157,100	+ 53,800
31,400	9,900	617,100	+ 44,000	563,800	400	8,800	2,900	575,900	— 41,200
- -	- -	267,600	+ 142,600	181,100	- -	- -	- -	181,100	— 86,500
31,400	9,900	**1,988,000**	+ 188,200	1,896,300	6,100	8,800	2,900	**1,914,100**	— 73,900
- -	- -	562,300	— 33,000	58,800	517,200	- -	- -	576,000	+ 13,700
- -	- -	323,000	+ 11,400	5,300	316,900	- -	- -	322,200	— 800
- -	- -	220,600	+ 44,200	71,800	113,000	- -	- -	184,800	— 35,800
- -	- -	194,600	— 7,200	1,200	202,600	- -	- -	203,800	+ 9,200
2,400	700	56,700	+ 1,600	100	55,100	2,000	600	57,800	+ 1,100
500	200	82,500	— 4,200	26,100	62,400	500	200	89,200	+ 6,700
2,900	900	**1,439,700**	+ 12,800	163,300	1,267,200	2,500	800	**1,433,800**	— 5,900
125,300	39,500	409,900	+ 32,700	235,200	29,400	96,400	32,100	393,100	— 16,800
- -	- -	50,700	— 3,400	31,600	39,900	- -	- -	71,500	+ 20,800
- -	- -	259,900	+ 74,800	- -	- -	- -	- -	- -	— 259,900
7,500	2,300	356,400	+ 84,900	50,900	243,600	3,000	1,000	298,500	— 57,900
132,800	41,800	**1,076,900**	+ 189,000	317,700	312,900	99,400	33,100	**763,100**	— 313,800
200	100	9,805,400	+ 615,000	9,798,500	1,042,700	200	100	10,841,500	+ 1,036,100
- -	- -	3,644,000	+ 284,000	3,133,500	- -	- -	- -	3,133,500	— 510,500
—	—	—	—	—	—	—	—	—	—
200	100	**13,449,400**	+ 899,000	12,932,000	1,042,700	200	100	**13,975,000**	+ 525,600
- -	- -	847,400	— 27,300	339,800	581,500	- -	- -	921,300	+ 73,900
- -	- -	537,500	+ 7,100	555,700	- -	- -	- -	555,700	+ 18,200
- -	- -	143,700	+ 8,300	29,000	115,600	- -	- -	144,600	+ 900
- -	- -	**1,528,600**	— 11,900	924,500	697,100	- -	- -	**1,621,600**	+ 93,000
- -	- -	40,900	+ 100	188,100	- -	- -	- -	188,100	+ 147,200
19,800	6,200	503,600	+ 2,200	7,900	455,400	21,500	7,200	492,000	— 11,600
19,800	6,200	**544,500**	+ 2,300	196,000	455,400	21,500	7,200	**680,100**	+ 135,600
57,000	18,000	843,100	+ 27,500	744,900	- -	33,000	11,000	788,900	— 54,200
3,000	900	48,800	+ 600	48,100	- -	3,500	1,200	52,800	+ 4,000
60,000	18,900	**891,900**	+ 28,100	793,000	- -	36,500	12,200	**841,700**	— 50,200
257,100	81,000	**73,598,100**	+ 1,270,500	55,273,000	20,287,200	178,900	59,600	**75,798,700**	+ 2,200,600

B.—STATEMENT of the EXPENDITURE Chargeable on the

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	ACCOUNTS, 1884-85.					REVISED	
	India.		England.	Exchange.†	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
DIRECT DEMANDS ON THE REVENUES:	£.	£.	£.	£.	£.	£.	£.
1.—Refunds and Drawbacks	126,098	74,738	- -	- -	200,836	146,100	85,600
2.—Assignments and Compensations	536,100	739,342	- -	- -	1,275,442	602,100	730,700
Charges in respect of Collection, viz.:							
3.—Land Revenue	288,828	3,074,047	412	100	3,363,387	286,200	3,097,900
4.—Opium (including cost of production)	2,962,532	- -	3,305	803	2,966,640	3,104,000	- -
5.—Salt (including cost of production)	368,886	80,351	73	18	449,328	386,800	91,800
6.—Stamps	24,744	60,100	45,528	11,063	141,435	23,400	66,000
7.—Excise	51,884	51,733	42	10	103,669	43,900	44,000
8.—Provincial Rates	- -	50,660	- -	- -	50,660	- -	47,100
9.—Customs	- -	136,860	- -	- -	136,860	- -	131,400
10.—Assessed Taxes	6,468	6,468	- -	- -	12,936	6,200	6,500
11.—Forest	302,286	372,287	3,881	943	679,397	306,100	388,600
12.—Registration	89,544	88,921	- -	- -	178,465	93,100	92,400
TOTAL	4,757,370	4,735,507	53,241	12,937	**9,559,055**	4,997,900	4,785,000
INTEREST:							
13.—Interest on Debt* other than that charged to Railways and Irrigation Works.	893,245	- -	2,609,687	634.133	4,137,065	664,700	- -
14.—Interest on other Obligations	474,098	4,588	2,970	722	482,378	455,200	2,000
TOTAL	1,367,343	4,588	2,612,657	634,855	**4,619,443**	1,119,900	2,000
POST OFFICE, TELEGRAPH, AND MINT:							
15.—Post Office	1,020,993	104,282	116,798	28,381	1,270,454	1,051,200	108,900
16.—Telegraph	563,241	800	180,527	43,867	788,435	536,900	800
17.—Mint	74,183	- -	9,797	2,380	86,360	98,000	- -
TOTAL	1,658,417	105,082	307,122	74,628	**2,145,249**	1,686,100	109,700
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:							
18.—General Administration	591,085	783,824	234,930	57,086	1,666,925	604,300	781,700
19.—Law and Justice	167,482	3,137,149	1,084	263	3,305,978	168,100	3,175,400
20.—Police	76,189	2,756,536	- -	- -	2,832,725	87,400	2,755,900
21.—Marine (including River Navigation)	195,509	144,228	154,656	37,580	531,973	212,300	123,600
22.—Education	15,842	1,222,597	280	68	1,238,787	14,500	1,232,900
23.—Ecclesiastical	165,774	- -	512	125	166,411	165,400	- -
24.—Medical	14,982	718,945	7,880	1,915	743,722	15,700	725,700
25.—Political	758,694	573	31,988	7,773	799,028	1,086,800	600
26.—Scientific and other Minor Departments	249,997	187,961	15,817	3,843	457,618	270,000	197,300
TOTAL	2,235,554	8,951,813	447,147	108,653	**11,743,167**	2,624,500	8,993,100
MISCELLANEOUS CIVIL CHARGES:							
27.—Territorial and Political Pensions	635,459	- -	28,874	7,016	671,349	627,700	- -
28.—Civil Furlough and Absentee Allowances	14,852	- -	198,275	48,179	261,306	6,200	- -
29.—Superannuation Allowances and Pensions	227,755	554,767	1,418,741	344,743	2,546,006	214,800	572,100
30.—Stationery and Printing	3,797	380,027	129,608	31,494	544,926	28,900	384,600
31.—Exchange	- -	- -	- -	- -	- -	- -	- -
32.—Miscellaneous	59,390	193,281	31,916	7,755	292,342	80,700	200,600
TOTAL	941,253	1,128,075	1,807,414	439,187	**4,315,929**	958,300	1,157,300
FAMINE RELIEF AND INSURANCE:							
33.—Famine Relief	927	6,423	- -	- -	7,350	- -	38,500
34.—Construction of Protective Railways	946,457	- -	- -	- -	946,457	589,000	- -
35.—Construction of Protective Irrigation Works	253,046	- -	- -	- -	253,046	198,600	- -
36.—Reduction of Debt	341,504	- -	- -	- -	341,504	673,900	- -
TOTAL	1,541,934	6,423	- -	- -	**1,548,357**	1,461,500	38,500
Carried over	12,501,871	14,931,488	5,227,581	1,270,260	33,931,200	12,848,200	15,086,500

	ACCOUNTS, 1884-85.			
	India.	England.	Exchange.	TOTAL.
* The "Interest on Debt" is distributed as follows:—	£.	£.	£.	£.
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	893,245	2,609,687	634,133	4,137,065
Under Railway Revenue Account	1,957,935	353,326	85,855	2,397.116
Under Irrigation	932,004	- -	- -	932,004
TOTAL £.	3,783,184	2,963,013	719,988	7,466,185

† *See* foot-note to Statement A., p. 42.

REVENUES of INDIA, in INDIA, and in ENGLAND.

Transactions in India, including those of "Exchange."]

ESTIMATE, 1885-86.			Increase+ Decrease— of Revised as compared with Budget Estimates, 1885-86.	BUDGET ESTIMATE, 1886-87.					Increase+ Decrease— of Budget, 1886-87, as compared with Revised Estimates, 1885-86.
				India.					
England.	Exchange.†	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.†	TOTAL.	
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	- -	231,700	+7,300	131,600	75,400	- -	- -	207,000	—24,700
- -	- -	1,341,800	+93,300	560,700	740,300	- -	- -	1,301,000	—40,800
1,100	400	3,385,600	—58,800	412,700	3,175,300	600	200	3,588,800	+203,200
4,700	1,500	3,110,200	+630,800	2,648,400	- -	1,600	500	2,650,500	—459,700
1,700	500	480,800	—11,500	395,800	100,800	- -	- -	496,600	+15,800
48,500	15,300	147,200	+5,900	23,300	60,800	51,900	17,300	153,300	+6,100
900	300	89,100	—34,400	52,900	52,900	- -	- -	105,800	+16,700
- -	- -	47,100	—66,400	- -	46,600	- -	- -	46,600	—500
- -	- -	131,400	—1,800	- -	133,400	- -	- -	133,400	+2,000
- -	- -	12,700	—700	52,200	6,500	- -	- -	58,700	+46,000
3,600	1,100	699,400	—31,300	325,200	413,900	2,400	800	742,300	+42,900
- -	- -	185,500	+4,400	96,000	95,200	- -	- -	191,200	+5,700
60,500	19,100	**9,862,500**	+536,800	4,698,800	4,901,100	56,500	18,800	**9,675,200**	—187,300
2,429,100	765,300	3,859,100	+61,600	415,400	- -	2,603,000	807,700	3,886,100	+27,000
800	300	459,200	+45,300	360,000	2,900	1,000	300	364,200	—95,000
2,429,900	765,600	**4,318,300**	+106,900	775,400	2,900	2,604,000	868,000	**4,250,300**	—68,000
105,000	33,100	1,298,200	—23,900	1,090,300	111,600	114,100	38,000	1,354,000	+55,800
268,800	84,700	891,200	—9,900	586,800	800	144,200	48,100	779,900	—111,300
22,600	7,100	127,700	+37,200	84,500	- -	6,800	2,300	93,600	—34,100
396,400	124,900	**2,317,100**	+3,400	1,761,600	112,400	265,100	88,400	**2,227,500**	—89,600
264,000	83,200	1,733,200	+98,000	612,400	789,600	256,600	85,500	1,744,100	+10,900
1,200	400	3,345,100	—95,300	223,200	3,244,300	2,000	700	3,470,200	+125,100
- -	- -	2,843,300	—12,400	224,000	2,793,900	- -	- -	3,017,900	+174,600
145,600	45,900	527,400	—37,200	250,500	125,100	212,500	70,800	658,900	+131,500
400	100	1,247,900	—44,200	15,500	1,310,700	200	100	1,326,500	+78,600
700	200	166,300	—3,800	172,400	- -	300	100	172,800	+6,500
9,000	2,800	753,200	—16,800	23,400	755,100	7,600	2,500	788,600	+35,400
32,400	10,200	1,130,000	+463,200	644,900	600	27,300	9,100	681,900	—448,100
18,400	5,800	491,500	—11,200	271,500	195,500	20,200	6,800	494,000	+2,500
471,700	148,600	**12,237,900**	+340,300	2,437,800	9,214,800	526,700	175,600	**12,354,900**	+117,000
22,400	7,100	657,200	—24,600	644,800	- -	22,100	7,400	674,300	+17,100
198,000	62,400	266,600	—16,500	6,300	- -	220,000	73,300	299,600	+33,000
1,516,000	477,600	2,780,500	+60,500	95,500	599,300	1,608,000	536,000	2,838,800	+58,300
78,000	24,600	516,100	—28,400	36,200	391,600	96,300	32,100	556,200	+40,100
- -	- -	- -	- -	137,700	- -	- -	- -	137,700	+137,700
31,500	9,900	322,700	+26,100	96,900	207,100	28,500	9,500	342,000	+19,300
1,845,900	581,600	**4,543,100**	+17,100	1,017,400	1,198,000	1,974,900	658,300	**4,848,600**	+305,500
- -	- -	38,500	+5,500	- -	1,000	- -	- -	1,000	—37,500
- -	- -	589,000	+89,000	500,000	- -	- -	- -	500,000	—89,000
- -	- -	198,600	—88,700	111,300	- -	- -	- -	111,300	—87,300
- -	- -	673,900	—5,800	749,000	- -	- -	- -	749,000	+75,100
- -	- -	**1,500,000**	- -	1,360,300	1,000	- -	- -	**1,361,300**	—138,700
5,204,400	1,639,800	34,778,900	+1,004,500	12,051,300	15,430,200	5,427,200	1,809,100	34,717,800	—61,100

REVISED ESTIMATE, 1885-86.				BUDGET ESTIMATE, 1886-87.			
India.	England.	Exchange.	TOTAL.	India	England.	Exchange.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.
664,700	2,429,100	765,300	3,859,100	415,400	2,603,000	867,700	3,886,100
2,174,300	366,200	115,400	2,655,900	2,409,100	517,900	172,600	3,099,600
966,000	- -	- -	966,000	997,800	- -	- -	997,800
3,805,000	2,795,300	880,700	7,481,000	3,822,300	3,120,900	1,040,300	7,983,500

B.—STATEMENT of the EXPENDITURE Chargeable on the

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	ACCOUNTS, 1884-85.					REVISED	
	India.		England.	Exchange.*	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
	£.	£.	£.	£.	£.	£.	£.
Brought forward - -	12,501,871	14,931,488	5,227,581	1,270,260	33,931,200	12,848,200	15,086,500
37.—CONSTRUCTION of RAILWAYS (Charged against Revenue in addition to that under Famine Insurance).	172,825	90,676	- -	- -	**263,501**	500,000	131,100
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses - -	3,599,880	613,016	- -	- -	4,212,896	4,062,300	677,800
Interest on Debt - - - - - -	1,616,959	340,976	353,326	85,855	2,397,116	1,804,100	370,200
Annuities in purchase of Railways - -	- -	- -	1,220,582	296,592	1,517,174	- -	- -
Interest on Capital deposited by Companies	118,170	- -	- -	- -	118,170	300	- -
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	492,952	- -	- -	- -	492,952	493,500	- -
Interest - - - - - - - -	29,651	- -	3,217,240	781,763	4,028,654	4,100	- -
40.—Subsidized Companies: Land, &c. - -	27,729	11,822	- -	- -	39,551	31,000	16,800
Advances of Interest - - - - - -	- -	- -	36,395	8,844	45,239	- -	- -
41.—Miscellaneous Railway Expenditure - -	80,797	16,757	- -	- -	97,554	91,500	11,400
Total - - -	5,966,138	982,571	4,827,543	1,173,054	**12,949,306**	6,486,800	1,076,200
IRRIGATION:							
42.—Major Works: Working Expenses - -	233,313	338,467	- -	- -	571,780	260,000	333,300
Interest on Debt - - - - - -	461,452	470,552	- -	- -	932,004	486,900	479,100
43.—Minor Works and Navigation - - -	522,983	222,136	65	16	745,200	524,100	221,800
Total - - -	1,217,748	1,031,155	65	16	**2,248,984**	1,271,000	1,034,200
BUILDINGS AND ROADS:							
44.—Military Works - - - - - - -	943,344	- -	5,071	1,232	949,647	985,400	- -
45.—Civil Works - - - - - - -	465,186	3,512,034	66,300	16,110	4,059,630	378,100	3,234,600
Total - - -	1,408,530	3,512,034	71,371	17,342	**5,009,277**	1,363,500	3,234,600
ARMY SERVICES:							
46.—Army: Effective - - - - - -	11,201,832	- -	1,614,138	392,222	13,208,192	14,043,300	- -
„ Non-Effective - - - - -	821,797	- -	2,360,284	573,530	3,755,611	830,100	- -
TOTAL - - -	12,023,629	- -	3,974,422	965,752	**16,963,803**	14,873,400	- -
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL - - -	33,290,741	20,547,924	14,100,982	3,426,424	71,366,071	37,342,900	20,562,600
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year - - - - - -	- -	73,840	- -	- -	73,840	- -	357,300
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	- -	—362,784	- -	- -	—362,784	- -	—243,400
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - - £.	33,290,741	20,258,980	14,100,982	3,426,424	**71,077,127**	37,342,900	20,676,500

	ACCOUNTS, 1884-85.			
	India.	England.	Exchange.	TOTAL.
EXPENDITURE NOT CHARGED TO REVENUE:				
Capital Outlay on Railways and Irrigation Works:	£.	£.	£.	£.
47.—State Railways - - - - - -	2,186,573	1,077,705	261,874	3,526,152
48.—Irrigation Works - - - - - -	694,920	4,458	1,083	700,461
TOTAL - - -	2,881,493	1,082,163	262,957	**4,226,613**
* 49.—SPECIAL DEFENCE WORKS - - -	- -	- -	- -	- -
50.—CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES.	- -	1,314,746	- -	**1,314,746**

* *See* foot-note to Statement, A., p. 42.

REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

Transactions in India, including those of "Exchange."]

ESTIMATE, 1885-86.			Increase + Decrease — of Revised as compared with Budget Estimates, 1885-86.	BUDGET ESTIMATE, 1886-87.					Increase + Decrease — of Budget, 1886-87, as compared with Revised Estimates, 1885-86.
				India.					
England.	Exchange.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.*	TOTAL.	
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
5,204,400	1,639,800	34,778,900	+1,004,500	12,051,300	15,430,200	5,427,200	1,809,100	34,717,800	— 61,100
- -	- -	**631,100**	— 162,700	- -	109,200	- -	- -	**109,200**	— 521,900
- -	- -	4,740,100	+ 210,700	4,868,500	700,600	- -	- -	5,569,100	+ 829,000
366,200	115,400	2,655,900	+ 31,300	2,019,400	389,700	517,900	172,600	3,099,600	+ 443,700
1,324,400	417,300	1,741,700	+ 77,700	- -	- -	1,725,800	575,300	2,301,100	+ 559,400
171,000	53,900	225,200	+ 46,800	400	- -	309,000	103,000	412,400	+ 187,200
- -	- -	493,500	— 22,500	497,500	- -	- -	- -	497,500	+ 4,000
3,180,700	1,002,100	4,186,900	+ 134,100	3,400	- -	2,690,600	896,900	3,590,900	— 596,000
- -	- -	47,800	+ 8,000	50,000	19,500	- -	- -	69,500	+ 21,700
28,800	9,000	37,800	+ 37,800	- -	- -	27,500	9,100	36,600	— 1,200
- -	- -	102,900	— 1,300	105,000	15,000	- -	- -	120,000	+ 17,100
5,071,100	1,597,700	**14,231,800**	+ 522,600	7,544,200	1,124,800	5,270,800	1,756,900	**15,696,700**	+1,464,900
- -	- -	593,300	+ 200	272,300	339,400	- -	- -	611,700	+ 18,400
- -	- -	966,000	+ 41,100	509,700	488,100	- -	- -	997,800	+ 31,800
600	200	746,700	+ 39,100	539,600	201,000	2,100	700	743,400	— 3,300
600	200	**2,306,000**	+ 80,400	1,321,600	1,028,500	2,100	700	**2,352,900**	+ 46,900
8,600	2,700	996,700	— 94,400	1,152,300	- -	2,300	800	1,155,400	+ 158,700
71,100	22,400	3,706,200	— 430,300	621,000	3,569,900	77,300	25,700	4,293,900	+ 587,700
79,700	25,100	**4,702,900**	— 524,700	1,773,300	3,569,900	79,600	26,500	**5,449,300**	+ 746,400
2,017,300	635,500	16,696,100	+3,423,800	12,449,000	- -	1,969,200	656,400	15,074,600	—1,621,500
1,671,500	526,600	3,028,200	— 374,100	839,400	- -	1,764,000	588,000	3,191,400	+ 163,200
3,688,800	1,162,100	**19,724,300**	+3,049,700	13,288,400	- -	3,733,200	1,244,400	**18,266,000**	—1,458,300
14,044,600	4,424,900	76,375,000	+3,969,800	35,978,800	21,262,600	14,512,900	4,837,600	76,591,900	+ 216,900
- -	- -	357,300	+ 328,400	- -	- -	- -	- -	- -	— 357,300
- -	- -	— 243,400	+ 509,700	- -	—975,400	- -	- -	—975,400	— 732,000
14,044,600	4,424,900	**76,488,900**	+4,807,900	35,978,800	20,287,200	14,512,900	4,837,600	**75,616,500**	— 872,400

REVISED ESTIMATE, 1885-86.				BUDGET ESTIMATE, 1886-87.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.
2,546,900	1,800,000	567,100	4,914,000	2,327,100	1,800,000	600,000	4,727,100
610,700	6,400	2,000	619,100	700,000	- -	- -	700,000
3,157,600	1,806,400	569,100	**5,533,100**	3,027,100	1,800,000	600,000	**5,427,100**
- -	- -	- -	- -	235,000	155,000	51,700	**441,700**
- -	1,089,000	- -	**1,089,000**	- -	4,844,200	- -	**4,844,200**

C.—STATEMENT of RECEIPTS and DISBURSEMENTS other than REVENUE

[£. 1 is recorded for every 10 rupees, in respect of

	ACCOUNTS, 1884–85.			REVISED ESTIMATE, 1885–86.			BUDGET ESTIMATE, 1886–87.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
REVENUE (from Statement No. 2)	70,371,289	256,954	70,628,243	73,260,000	257,100	73,517,100	75,560,200	178,900	75,739,100
Exchange added to Revenue -	62,438	- -	62,438	81,000	- -	81,000	59,600	- -	59,600
Total - - - £.	70,433,727	256,954	70,690,681	73,341,000	257,100	73,598,100	75,619,800	178,900	75,798,700
PERMANENT DEBT INCURRED :									
Sterling Debt :									
3½ per Cent. India Stock -	- -	239,792*	- -	- -	1,089,000*	- -	- -	4,844,200*	—
3 per Cent. Stock - -	- -	3,248,548*	- -	- -	2,985,000	—	—	—	—
Debenture and Debenture Stock.	- -	811,616*	—	—	—	—	—	—	—
Proposed Loan - - -	- -	- -	- -	- -	- -	- -	- -	5,000,000	—
Rupee Debt ;									
4 per Cent. Rupee Loan -	20	—	—	—	—	—	—	—	—
Stock Notes - - -	5,352	- -	- -	1,100	- -	- -	1,000	—	—
Miscellaneous - - -	8,500	—	—	—	—	—	—	—	—
Proposed Loan - - -	- -	- -	- -	- -	- -	- -	1,200,000	—	—
Total - - - £.	13,872	4,299,956	4,313,828	1,100	4,074,000	4,075,100	1,201,000	9,844,200	11,045,200
Net - - - £.	- -	- -	**1,193,924**	- -	- -	**4,013,300**	- -	- -	**9,415,400**
UNFUNDED DEBT :									
Temporary Loans - - -	- -	750,000	- -	- -	1,000,000	—	—	—	—
Special Loans - - -	4,000	—	—	—	—	—	—	—	—
Treasury Notes - - -	344,592	- -	- -	6,200	—	—	—	—	—
Deposits of Service Funds -	715,705	4,547	- -	467,200	- -	- -	121,800	—	—
Savings Bank Deposits - -	3,141,683	- -	- -	3,259,900	- -	- -	3,643,900	—	—
Total - - - £.	4,205,980	754,547	4,960,527	3,733,300	1,000,000	4,733,300	3,765,700	- -	3,765,700
Net - - - £.	- -	- -	**958,409**	- -	- -	**623,100**	- -	- -	**478,200**
DEPOSITS AND ADVANCES :									
Balances of Provincial Allotments	73,840	- -	- -	357,300	—	—	—	—	—
Commission for the Reduction of Debt.	341,504	- -	- -	673,900	- -	- -	749,000	—	—
Excluded Local Funds - -	632,150	- -	- -	635,200	- -	- -	596,400	—	—
Political, Railway, and Military Prize Funds.	44,823	- -	- -	60,900	- -	- -	54,900	—	—
Departmental and Judicial Deposits.	16,634,282	- -	- -	16,300,000	- -	- -	15,043,900	—	—
Advances - - - -	7,480,577	2,035	- -	11,499,400	3,600	- -	7,699,200	3,000	—
Suspense Accounts - -	39,097	- -	- -	65,700	- -	- -	11,500	—	—
Exchange on Remittance Accounts.	385,172	- -	- -	1,419,200	- -	- -	1,247,500	—	—
Miscellaneous - - -	724,621	250,000	- -	38,000	250,300	- -	35,500	—	—
Total - - - £.	26,356,166	252,035	26,608,201	31,049,600	253,900	31,303,500	25,437,900	3,000	25,440,900
Net - - - £.	- -	- -	**1,132,006**	- -	- -	**2,418,800**	- -	- -	**733,500**
Carried forward - - - £.	101,009,745	5,563,492	- -	108,125,000	5,585,000	- -	106,024,400	10,026,100	—

* The debt incurred includes in 1884–85, 1,314,746 *l.* in respect of the Purchase of the Eastern Bengal Railway and Redemption of Liabilities, and in 1885–86 and 1886–87 respectively, 1,089,000 *l.* and 4,844,200 *l.* in Redemption of Liabilities. *See* entries under "Expenditure not charged to Revenue."

and EXPENDITURE of the GOVERNMENT of INDIA, in INDIA and in ENGLAND.

Transactions in India, including those of "Exchange."]

	ACCOUNTS, 1884-85.			REVISED ESTIMATE, 1885-86.			BUDGET ESTIMATE, 1886-87.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	£.	£	£.	£.	£.	£.	£.	£.	£.
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement No. 3).	53,838,665	14,100,982	67,939,647	57,905,500	14,044,600	71,950,100	57,241,400	14,512,900	71,754,300
Exchange, charged as Expenditure	3,426,424	- -	3,426,424	4,424,900	- -	4,424,900	4,837,600	- -	4,837,600
Add.—Provincial Surpluses, transferred to "Deposits."	73,840	- -	73,840	357,300	- -	357,300	—	—	—
Deduct—Provincial Deficits charged against "Deposits."	*—362,784*	- -	*—362,784*	*—243,400*	- -	*—243,400*	*—975,400*	- -	*—975,400*
Total - - - £.	56,976,145	14,100,982	71,077,127	62,444,300	14,044,600	76,488,900	61,103,600	14,512,900	75,616,500
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	2,881,493	1,082,163	- -	3,157,600	1,806,400	- -	3,027,100	1,800,000	—
Special Defence Works - -	- -	- -	- -	- -	- -	- -	255,000	155,000	—
Capital Charge involved in Redemption of Liabilities.	- -	1,314,746	- -	- -	1,089,000	- -	- -	4,814,200	—
Add—Exchange on Expenditure not charged to Revenue.	262,957	- -	- -	569,100	- -	- -	651,700	—	
Total - - - £.	3,144,450	2,396,909	5,541,359	3,726,700	2,895,400	6,622,100	3,913,800	6,799,200	10,713,000
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
East India Bonds - - -	- -	1,200	—	—	—	—	—	—	
India 5 per Cent. Stock -	- -	363	—	—	—	—	—	—	—
India 4 per Cent. Debentures	- -	3,005,500	- -	- -	1,000	—	—	—	
India 4 per Cent. Stock -	—	—	—	—	—	—	—	—	—
East Indian Railway Debentures.	—	—	—	—	—	—	—	—	—
East Indian Railway Debenture Stock.	- -	39,610	—	—	—	—	—	—	
Eastern Bengal Railway Debentures.	- -	52,450	- -	- -	200	- -	- -	409,700	—
Eastern Bengal Railway Debenture Stock.	- -	600	—	—	—	—	—	—	—
Rupee Debt:									
4 per Cent. Loans - - -	7,797	—	—	—	—	—	—	—	—
Loans under discharge - -	12,230	- -	- -	13,500	- -	- -	1,219,100	—	—
Stock Notes - - - -	- -	- -	- -	47,100	- -	- -	1,000	—	—
Miscellaneous - - - -	154	—	—	—	—	—	—	—	—
Total - - - £.	20,181	3,099,723	3,119,904	60,600	1,200	61,800	1,220,100	409,700	1,629,800
Net - - - £.	- -	- -	0	- -	- -	0	- -	- -	0
UNFUNDED DEBT:									
Temporary Loans - - -	- -	750,000	- -	- -	1,000,000	—	—	—	—
Special Loans - - - -	14,043	- -	- -	14,200	—	—	—	—	
Treasury Notes - - -	168,135	- -	- -	21,300	—	—	—	—	—
Deposits of Service Funds -	631,750	809	- -	212,000	30,700	- -	63,400	—	—
Savings Bank Deposits - -	2,437,381	- -	- -	2,832,000	- -	- -	3,224,100	—	—
Total - - - £.	3,251,309	750,809	4,002,118	3,079,500	1,030,700	4,110,200	3,287,500	- -	3,287,500
Net - - - £.	- -	- -	0	- -	- -	0	- -	- -	0
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	362,784	- -	- -	243,400	- -	- -	975,400	—	—
Commission for the Reduction of Debt	2,620	- -	- -	500	- -	- -	500	—	—
Excluded Local Funds - -	625,971	- -	- -	595,800	- -	- -	594,200	—	—
Political, Railway, and Military Prize Funds.	99,144	- -	- -	138,000	- -	- -	50,000	—	
Departmental and Judicial Deposits.	16,754,852	- -	- -	16,409,200	- -	- -	15,210,800	—	—
Advances - - - -	7,313,353	2,666	- -	11,332,100	3,600	- -	7,818,600	3,000	—
Suspense Accounts - - -	187,256	- -	- -	36,500	- -	- -	20,100	—	—
Miscellaneous - - - -	127,549	- -	- -	122,500	3,100	- -	34,800	—	—
Total - - - £.	25,473,529	2,666	25,476,195	28,878,000	6,700	28,884,700	24,704,400	3,000	24,707,400
Net - - - £.	- -	- -	0	- -	- -	0	- -	- -	0
Carried forward - - - £.	88,865,614	20,351,089	- -	98,189,100	17,978,600	- -	94,229,400	21,724,800	—

C.—STATEMENT of RECEIPTS and DISBURSEMENTS other than REVENUE

[£. 1 is recorded for every 10 rupees, in respect of

	ACCOUNTS, 1884-85.			REVISED ESTIMATE, 1885-86.			BUDGET ESTIMATE, 1886-87.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
REVENUE (from Statement No. 2)	70,371,289	256,954	70,628,243	73,260,000	257,100	73,517,100	75,560,200	178,900	75,739,100
Exchange added to Revenue -	62,438	- -	62,438	81,000	- -	81,000	59,600	- -	59,600
Total - - - £.	70,433,727	256,954	70,690,681	73,341,000	257,100	73,598,100	75,619,800	178,900	75,798,700
PERMANENT DEBT INCURRED :									
Sterling Debt :									
3½ per Cent. India Stock -	- -	239,792*	- -	- -	1,089,000*	- -	- -	4,844,200*	—
3 per Cent. Stock - -	- -	3,248,548*	- -	- -	2,985,000	—	—	—	—
Debenture and Debenture Stock.	- -	811,616*	—	—	—	—	—	—	—
Proposed Loan - - -	- -	- -	- -	- -	- -	- -	- -	5,000,000	—
Rupee Debt :									
4 per Cent. Rupee Loan -	20	—	—	—	—	—	—	—	—
Stock Notes - - -	5,352	- -	- -	1,100	- -	- -	1,000	—	—
Miscellaneous - - -	8,500	—	—	—	—	—	—	—	—
Proposed Loan - - -	- -	- -	- -	- -	- -	- -	1,200,000	—	—
Total - - - £.	13,872	4,299,956	4,313,828	1,100	4,074,000	4,075,100	1,201,000	9,844,200	11,045,200
Net - - - £.	- -	- -	1,193,924	- -	- -	4,013,300	- -	- -	9,415,400
UNFUNDED DEBT :									
Temporary Loans - - -	- -	750,000	- -	- -	1,000,000	—	—	—	—
Special Loans - - -	4,000	—	—	—	—	—	—	—	—
Treasury Notes - - -	344,592	- -	- -	6,200	—	—	—	—	—
Deposits of Service Funds -	715,705	4,547	- -	467,200	- -	- -	121,800	—	—
Savings Bank Deposits - -	3,141,683	- -	- -	3,259,900	- -	- -	3,643,900	—	—
Total - - - £.	4,205,980	754,547	4,960,527	3,733,300	1,000,000	4,733,300	3,765,700	- -	3,765,700
Net - - - £.	- -	- -	958,409	- -	- -	623,100	- -	- -	478,200
DEPOSITS AND ADVANCES :									
Balances of Provincial Allotments	73,840	- -	- -	357,300	—	—	—	—	—
Commission for the Reduction of Debt.	341,504	- -	- -	673,900	- -	- -	749,000	—	—
Excluded Local Funds - -	632,150	- -	- -	635,200	- -	- -	596,400	—	—
Political, Railway, and Military Prize Funds.	44,823	- -	- -	60,900	- -	- -	54,900	—	—
Departmental and Judicial Deposits.	16,634,282	- -	- -	16,300,000	- -	- -	15,043,900	—	—
Advances - - - - -	7,480,577	2,035	- -	11,499,400	3,600	- -	7,699,200	3,000	—
Suspense Accounts - -	39,097	- -	- -	65,700	- -	- -	11,500	—	—
Exchange on Remittance Accounts.	385,172	- -	- -	1,419,200	- -	- -	1,247,500	—	—
Miscellaneous - - -	724,621	250,000	- -	38,000	250,300	- -	35,500	—	—
Total - - - £.	26,356,166	252,035	26,608,201	31,049,600	253,900	31,303,500	25,437,900	3,000	25,440,900
Net - - - £.	- -	- -	1,132,006	- -	- -	2,418,800	- -	- -	733,500
Carried forward - - - £.	101,009,745	5,563,492	- -	108,125,000	5,585,000	- -	106,024,400	10,026,100	—

* The debt incurred includes in 1884-85, 1,314,746 *l.* in respect of the Purchase of the Eastern Bengal Railway and Redemption of Liabilities, and in 1885-86 and 1886-87 respectively, 1,089,000 *l.* and 4,844,200 *l.* in Redemption of Liabilities. *See* entries under "Expenditure not charged to Revenue."

and EXPENDITURE of the GOVERNMENT of INDIA, in INDIA and in ENGLAND.

Transactions in India, including those of "Exchange."]

	ACCOUNTS, 1884-85.			REVISED ESTIMATE, 1885-86.			BUDGET ESTIMATE, 1886-87.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	£.	£	£.	£.	£.	£.	£.	£.	£.
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement No. 3).	53,838,665	14,100,982	67,939,647	57,905,500	14,044,600	71,950,100	57,241,400	14,512,900	71,754,300
Exchange, charged as Expenditure	3,426,424	- -	3,426,424	4,424,900	- -	4,424,900	4,837,600	- -	4,837,600
Add.—Provincial Surpluses, transferred to "Deposits."	73,840	- -	73,840	357,300	- -	357,300	—	—	—
Deduct—Provincial Deficits charged against "Deposits."	*—362,784*	- -	*—362,784*	*—243,400*	- -	*—243,400*	*—975,400*	- -	*—975,400*
Total - - - £.	56,976,145	14,100,982	71,077,127	62,444,300	14,044,600	76,488,900	61,103,600	14,512,900	75,616,500
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	2,881,493	1,082,163	- -	3,157,600	1,806,400	- -	3,027,100	1,800,000	—
Special Defence Works - -	- -	- -	- -	- -	- -	- -	235,000	155,000	—
Capital Charge involved in Redemption of Liabilities.	- -	1,314,746	- -	- -	1,089,000	- -	- -	4,844,200	—
Add—Exchange on Expenditure not charged to Revenue.	262,957	- -	- -	569,100	- -	- -	651,700	—	—
Total - - - £.	3,144,450	2,396,909	5,541,359	3,726,700	2,895,400	6,622,100	3,913,800	6,799,200	10,713,000
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
East India Bonds - - -	- -	1,200	—	—	—	—	—	—	—
India 5 per Cent. Stock -	- -	363	—	—	—	—	—	—	—
India 4 per Cent. Debentures	- -	3,005,500	- -	- -	1,000	—	—	—	—
India 4 per Cent. Stock -	—	—	—	—	—	—	—	—	—
East Indian Railway Debentures.	—	—	—	—	—	—	—	—	—
East Indian Railway Debenture Stock.	- -	39,610	—	—	—	—	—	—	—
Eastern Bengal Railway Debentures.	- -	52,450	- -	- -	200	- -	- -	409,700	—
Eastern Bengal Railway Debenture Stock.	- -	600	—	—	—	—	—	—	—
Rupee Debt:									
4 per Cent. Loans - - -	7,797	—	—	—	—	—	—	—	—
Loans under discharge - -	12,230	- -	- -	13,500	- -	- -	1,219,100	—	—
Stock Notes - - - -	- -	- -	- -	47,100	- -	- -	1,000	—	—
Miscellaneous - - - -	154	—	—	—	—	—	—	—	—
Total - - - £.	20,181	3,099,723	3,119,904	60,600	1,200	61,800	1,220,100	409,700	1,629,800
Net - - - £.	- -	- -	0	- -	- -	0	- -	- -	0
UNFUNDED DEBT:									
Temporary Loans - - -	- -	750,000	- -	- -	1,000,000	—	—	—	—
Special Loans - - - -	14,043	- -	- -	14,200	—	—	—	—	—
Treasury Notes - - -	168,135	- -	- -	21,300	—	—	—	—	—
Deposits of Service Funds -	631,750	809	- -	212,000	30,700	- -	63,400	—	—
Savings Bank Deposits - -	2,437,381	- -	- -	2,832,000	- -	- -	3,224,100	—	—
Total - - - £.	3,251,309	750,809	4,002,118	3,079,500	1,030,700	4,110,200	3,287,500	- -	3,287,500
Net - - - £.	- -	- -	0	- -	- -	0	- -	- -	0
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	362,784	- -	- -	243,400	- -	- -	975,400	—	—
Commission for the Reduction of Debt	2,620	- -	- -	500	- -	- -	500	—	—
Excluded Local Funds - -	625,971	- -	- -	595,800	- -	- -	594,200	—	—
Political, Railway, and Military Prize Funds.	99,144	- -	- -	138,000	- -	- -	50,000	—	—
Departmental and Judicial Deposits.	16,754,852	- -	- -	16,409,200	- -	- -	15,210,800	—	—
Advances - - - -	7,313,353	2,666	- -	11,332,100	3,600	- -	7,818,600	3,000	—
Suspense Accounts - - -	187,256	- -	- -	36,500	- -	- -	20,100	—	—
Miscellaneous - - - -	127,549	- -	- -	122,500	3,100	- -	34,800	—	—
Total - - - £.	25,473,529	2,666	25,476,195	28,878,000	6,700	28,884,700	24,704,400	3,000	24,707,400
Net - - - £.	- -	- -	0	- -	- -	0	- -	- -	0
Carried forward - - - £.	88,865,614	20,351,089	- -	98,189,100	17,978,600	- -	94,229,400	21,724,800	—

C.—STATEMENT of Receipts and Disbursements other than Revenue and

[£. 1 is recorded for every 10 rupees, in respect of

	ACCOUNTS, 1884-85.			REVISED ESTIMATE, 1885-86.			BUDGET ESTIMATE, 1886-87.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
Brought forward - - -	101,009,745	5,563,492	- -	108,125,000	5,585,000	- -	106,024,400	10,02[illegible],100	—
Loans to Municipalities, Native States, &c.	294,339	- -	294,339	323,800	- -	323,800	484,400	- -	484,400
Net - - -	- -	- -	24,051	- -	- -	100,500	- -	- -	0
Capital Receipts from Railway Companies:									
On account of Subscribed Capital.	3,280	2,836,111	- -	100	7,300,000	- -	2,300	2,058,200	—
Repayments - - -	1,986,383	20,060	- -	1,644,100	19,400	- -	1,684,700	- -	—
Total - - -	1,989,663	2,856,171	4,845,834	1,644,200	7,319,400	8,963,600	1,687,000	2,058,200	3,745,200
Net - - -	- -	- -	0	- -	- -	3,848,600	- -	- -	0
Remittances:									
Inland Money Orders - -	8,192,822	- -	- -	8,220,000	- -	- -	8,250,000	—	—
Other Departmental Accounts	937,591	- -	- -	1,064,000	- -	- -	485,300	—	—
Net Receipts by Civil Treasuries from—									
Post Office - - - -	618,484	- -	- -	577,000	- -	- -	489,900	—	—
Guaranteed Railways - -	4,370,709	- -	- -	4,500,200	- -	- -	3,649,200	—	—
Net Receipts from Civil Treasuries by—									
Telegraph - - - -	92,853	- -	- -	55,300	- -	- -	103,400	—	—
Marine - - - -	305,442	- -	- -	422,400	- -	- -	207,100	—	—
Military - - - -	11,403,530	- -	- -	13,280,700	- -	- -	12,156,000	—	—
Public Works - - -	5,346,649	- -	- -	5,659,000	- -	- -	4,989,000	—	—
Remittance Account between England and India.	1,320,897	408,738	- -	1,795,900	1,050,600	- -	2,731,300	192,500	—
Total - - -	32,588,980	408,738	32,997,718	35,574,500	1,050,600	36,625,100	33,061,200	192,500	33,253,700
Net - - -	- -	- -	0	- -	- -	1,228,100	- -	- -	0
Secretary of State's Bills Drawn.	- -	13,758,909	13,758,909	- -	10,492,800	10,492,800	- -	13,331,400	13,331,400
Total Receipts - -	135,882,727	22,587,310	- -	145,667,500	24,447,800	- -	141,257,000	25,608,200	—
Opening Balance - -	13,199,926	4,113,221	- -	12,540,532	2,249,378	- -	12,401,932	4,777,978	—
GRAND TOTAL - - £.	149,082,653	26,700,531	- -	158,208,032	26,697,178	- -	153,658,932	30,386,178	—

Fort William, Department of Finance and Commerce,
24 March 1886.

E. W. Kellner,
Deputy Comptroller General.

D.—ACCOUNT of Provincial and Local Savings charged to Revenue, and held

Provincial and

Note.—These Balances do not include the Balances

	India.	Central Provinces.	Burmah.	Assam.
Accounts, 1884-85.	£.	£.	£.	£.
Balance at end of 1883-84 - - -	8,787	313,926	128,169	112,270
Added in 1884-85 - - - -	- - -	34,201	- - -	- - -
Spent in 1884-85 - - - - -	451	- - -	97,369	35,259
Balance at end of 1884-85 - - £.	8,336	348,127	30,800	77,011
Revised Estimate, 1885-86.				
Balance at end of 1884-85 (by Accounts)	8,336	348,127	30,800	77,011
Added in 1885-86 - - - -	1,300	14,400	- - -	13,700
Spent in 1885-86 - - - -	- - -	- - -	10,000	- - -
Balance at end of 1885-86 - - £.	9,636	362,527	20,800	90,711
Budget Estimate, 1886-87.				
Balance at end of 1885-86 (by Revised Estimate).	9,636	362,527	20,800	90,711
Added in 1886-87 - - - -	—	—	—	—
Spent in 1886-87 - - - - -	1,700	185,300	20,600	50,000
Balance at end of 1886-87 - - £.	7,936	177,227	200	40,711

Fort William, Department of Finance and Commerce,
24 March 1886.

E. W. Kellner,
Deputy Comptroller General.

EXPENDITURE of the GOVERNMENT of INDIA, in INDIA and in ENGLAND—*continued.*

Transactions in India, including those of "Exchange."]

	ACCOUNTS, 1884-85.			REVISED ESTIMATE, 1885-86.			BUDGET ESTIMATE, 1886-87.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
Brought forward - - -	88,865,614	20,351,089	- -	98,189,100	17,978,600	- -	94,229,400	21,724,800	—
Loans to Municipalities, Native States, &c.	270,288	- -	270,288	223,300	- -	223,300	1,382,000	- -	1,382,000
Net - - -	- -	- -	0	- -	- -	0	- -	- -	897,600
Payments to Railway Companies on Capital Account:									
For discharge of Debenture	- -	1,032,700	- -	- -	285,500	- -	- -	1,458,200	—
For Expenditure - -	2,431,909	1,773,183	- -	2,873,400	1,956,100	- -	3,420,900	2,028,100	—
Total - - -	2,431,909	2,805,883	5,237,792	2,873,400	2,241,600	5,115,000	3,420,900	3,486,300	6,907,200
Net - - -	- -	- -	391,958	- -	- -	0	- -	- -	3,162,000
Remittances:									
Inland Money Orders - -	8,197,001	- -	- -	8,220,600	- -	- -	8,250,000	—	—
Other Local Remittances (net)	9,195	—	—	—	—	—	—	—	—
Other Departmental Accounts	930,468	- -	- -	1,071,600	- -	- -	491,400	—	—
Net Payments into Civil Treasuries by—									
Post Office - - -	609,189	- -	- -	487,000	- -	- -	489,900	—	—
Guaranteed Railways -	4,370,709	- -	- -	4,500,200	- -	- -	3,649,200	—	—
Net Issues from Civil Treasuries to—									
Telegraph - - - -	91,206	- -	- -	55,300	- -	- -	103,400	—	—
Marine - - - -	304,849	- -	- -	422,400	- -	- -	207,100	—	—
Military - - - -	11,402,158	- -	- -	13,280,700	- -	- -	12,156,000	—	—
Public Works - - -	5,323,104	- -	- -	4,759,000	- -	- -	4,989,000	—	—
Remittance Account between England and India.	815,099	1,294,181	- -	901,800	1,699,000	- -	338,800	2,711,300	—
Total - - -	32,052,978	1,294,181	33,347,159	33,698,000	1,699,000	35,397,000	30,677,800	2,711,300	33,389,100
Net - - -	- -	- -	349,441	- -	- -	0	- -	- -	135,400
SECRETARY OF STATE'S BILLS PAID.	12,921,332	- -	12,921,332	10,822,300	- -	10,822,300	13,331,400	- -	13,331,400
TOTAL DISBURSEMENTS -	136,542,121	24,451,153	- -	145,806,100	21,919,200	- -	143,041,500	27,922,400	—
Closing Balance - -	12,540,532	2,249,378	- -	12,401,932	4,777,978	- -	10,617,432	2,463,778	—
GRAND TOTAL - - £.	149,082,653	26,700,531	- -	158,208,032	26,697,178	- -	153,658,932	30,386,178	—

E. Gay,
Officiating Comptroller General.

D. Barbour,
Secretary to the Government of India.

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL CONTRACTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
£.	£.	£.	£.	£.	£.
262,693	721,014	322,059	735,625	543,565	3,148,108
39,639	- - -	- - -	- - -	- - -	73,840
- - -	65,481	24,464	123,531	16,229	362,784
302,332	655,533	297,595	612,094	527,336	2,859,164
302,332	655,533	297,595	612,094	527,336	2,859,164
44,500	- - -	20,700	35,400	227,300	357,300
- - -	233,400	- - -	- - -	- - -	243,400
346,832	422,133	318,295	647,494	754,636	2,973,064
346,832	422,133	318,295	647,494	754,636	2,973,064
—	—	—	—	—	—
73,700	200,300	70,000	70,400	303,400	975,400
273,132	221,833	248,295	577,094	451,236	1,997,664

E. Gay,
Officiating Comptroller General.

D. Barbour,
Secretary to the Government of India.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

NET REVENUE.

	ACCOUNTS, 1884-85.				
	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	£.	£.	£.	£.	£.
Land Revenue	21,832,211	48,541	21,783,670	3,363,387	18,420,283
Opium	8,816,469	389	8,816,080	2,966,640	5,849,440
Salt	6,507,236	30,980	6,476,256	449,328	6,026,928
Stamps	3,606,622	45,105	3,561,517	141,435	3,420,082
Excise	4,011,867	26,421	3,985,446	103,669	3,881,777
Provincial Rates	2,791,461	6,197	2,785,264	50,660	2,734,604
Customs	1,029,943	24,945	1,004,998	136,860	868,138
Assessed Taxes	511,828	14,955	496,873	12,936	483,937
Forest	986,984	2,232	984,752	679,397	305,355
Registration	286,784	1,071	285,713	178,465	107,248
Tributes from Native States	699,017	- -	699,017	- -	699,017
	51,080,422	200,836	50,879,586	8,082,777	42,796,809
Deduct,—Assignments and Compensations	- -	- -	- -	- -	1,275,442
TOTAL NET REVENUE £.	- -	- -	- -	- -	41,521,367

NET EXPENDITURE.

	ACCOUNTS, 1884-85.		
	Gross Expenditure.	Receipts.	Net Expenditure.
	£.	£.	£.
Interest	4,619,443	711,011	3,908,432
Post Office, Telegraph, and Mint	2,145,249	1,797,846	347,403
Civil Departments	11,743,167	1,373,144	10,370,023
Miscellaneous Civil Charges	4,315,929	723,885	3,592,044
Famine Relief and Insurance	1,548,357	- - -	1,548,357
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	263,501	- - -	263,501
Railways Revenue Account	12,949,306	11,898,131	1,051,175
Irrigation	2,248,984	1,675,975	573,009
Buildings and Roads	5,009,277	615,097	4,394,180
Army Services	16,963,803	815,170	16,148,633
	61,807,016	19,610,259	42,196,757
	Surplus.	Deficit.	
Provincial and Local Surpluses and Deficits	+ 73,840	— 362,784	— 288,944
TOTAL NET EXPENDITURE £.	- - -	- - -	41,907,813
Surplus (+) or Deficit (—)	- - -	- - -	— 386,446
			41,521,367

Fort William, Department of Finance and Commerce,
24 March 1886.

E. W. Kellner,
Deputy Comptroller General.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—ENGLAND and INDIA.

- - - - - - - - - NET REVENUE.

Rs. 10 = £. 1.

REVISED ESTIMATE, 1885-86.					BUDGET ESTIMATE, 1886-87.				
Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
22,393,400	61,500	22,331,900	3,385,600	18,946,300	22,760,300	51,800	22,708,500	3,588,800	19,119,700
8,914,700	600	8,914,100	3,110,200	5,803,900	9,227,600	600	9,227,000	2,650,500	6,576,500
6,309,700	38,100	6,271,600	480,800	5,790,800	6,392,500	33,100	6,359,400	496,600	5,862,800
3,655,600	47,100	3,608,500	147,200	3,461,300	3,694,400	44,700	3,649,700	153,300	3,496,400
4,119,600	25,800	4,093,800	89,100	4,004,700	4,134,800	23,100	4,111,700	105,800	4,005,900
2,882,700	6,000	2,876,700	47,100	2,829,600	2,909,100	5,800	2,903,300	46,600	2,856,700
1,147,600	33,500	1,114,100	131,400	982,700	1,173,200	31,400	1,141,800	133,400	1,008,400
515,000	15,600	499,400	12,700	486,700	1,458,100	13,100	1,445,000	58,700	1,386,300
1,052,300	2,400	1,049,900	699,400	350,500	1,153,300	2,300	1,151,000	742,300	408,700
304,300	1,100	303,200	185,500	117,700	309,800	1,100	308,700	191,200	117,500
693,600	- -	693,600	- -	693,600	712,000	- -	712,000	- -	712,000
51,988,500	231,700	51,756,800	8,289,000	43,467,800	53,925,100	207,000	53,718,100	8,167,200	45,550,900
- -	- -	- -	- -	1,341,800	- -	- -	- -	- -	1,301,000
- -	- -	- -	- -	42,126,000	- -	- -	- -	- -	44,249,900

- - - - - - - - - NET EXPENDITURE.

REVISED ESTIMATE, 1885-86.			BUDGET ESTIMATE, 1886-87.		
Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
£.	£.	£.	£.	£.	£.
4,318,300	690,600	3,627,700	4,250,300	644,200	3,606,100
2,317,100	1,988,000	329,100	2,227,500	1,914,100	313,400
12,237,900	1,439,700	10,798,200	12,354,900	1,433,800	10,921,100
4,543,100	1,076,900	3,466,200	4,848,600	763,100	4,085,500
1,500,000	- - -	1,500,000	1,361,300	- - -	1,361,300
631,100	- - -	631,100	109,200	- - -	109,200
14,231,800	13,449,400	782,400	15,696,700	13,975,000	1,721,700
2,306,000	1,528,600	777,400	2,352,900	1,621,600	731,300
4,702,900	544,500	4,158,400	5,449,300	680,100	4,769,200
19,724,300	891,900	18,832,400	18,266,000	841,700	17,424,300
66,512,500	21,609,600	44,902,900	66,916,700	21,873,600	45,043,100
Surplus. + 357,300	Deficit. — 243,400	+ 113,900	Surplus. - - -	Deficit. — 975,400	— 975,400
- - -	- - -	45,016,800	- - -	- - -	44,067,700
- - -	- - -	— 2,890,800	- - -	- - -	+ 182,200
- - -	- - -	42,126,000	- - -	- - -	44,249,900

E. Gay,
Officiating Comptroller General.

D. Barbour,
Secretary to the Government of India.

APPENDIX II.

BUDGET ESTIMATE FOR 1885-86.

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BUDGET ESTIMATE FOR 1885-86.

GENERAL STATEMENT of the REVENUE and EXPENDITURE and RECEIPTS and DISBURSEMENTS of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND.

[£. 1 is recorded for every 10 rupees, in respect of transactions in India, including those of "Exchange."]

	Receipts.		Disbursements.
REVENUE:	£.	EXPENDITURE:	£.
Principal Heads of Revenue:		Direct Demands on the Revenues	9,325,700
Land Revenue	22,334,200	Interest	4,211,400
Opium	9,025,500	Post Office, Telegraph, and Mint	2,313,700
Salt	6,400,000	Salaries and Expenses of Civil Departments	11,897,600
Stamps	3,633,400	Miscellaneous Civil Charges	4,526,000
Excise	4,070,000	Famine Relief and Insurance	1,500,000
Other Heads	6,581,000	Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	793,800
TOTAL Principal Heads	52,044,100	Railway Revenue Account	13,709,200
Interest	672,000	Irrigation	2,225,600
Post Office, Telegraph, and Mint	1,799,800	Buildings and Roads	5,227,600
Receipts by Civil Departments	1,426,900	Army Services	16,674,600
Miscellaneous	887,900	Exchange on Remittance Accounts	—
Railways	12,550,400	TOTAL Expenditure, Imperial and Provincial	72,405,200
Irrigation	1,540,500	*Add*,—Provincial Surpluses; that is, portion of Allotments to Provincial Governments not spent by them in the year	28,900
Buildings and Roads	542,200	*Deduct*,—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances	*—753,100*
Receipts by Military Departments	863,800	TOTAL Expenditure charged against Revenue	71,681,000
TOTAL Revenue	72,327,600		
DEBT, DEPOSITS, and ADVANCES:		EXPENDITURE NOT CHARGED TO REVENUE:	
Permanent Debt (net Incurred)	2,205,000	Capital Expenditure on Public Works not charged against Revenue	4,575,100
Unfunded Debt (net Incurred)	648,400		
Deposits and Advances (net)	470,300	DEBT, DEPOSITS, AND ADVANCES:	
Loans to Municipalities, Native States, &c. (net Recoveries)	308,100	Deposits and Advances (net)	—
Remittances (net)	170,300	Capital of Railway Companies (net Payments)	1,106,100
Secretary of State's Bills drawn	13,773,700	Secretary of State's Bills paid	13,773,700
TOTAL Receipts	89,903,400	TOTAL Disbursements	91,135,900
Balance on 1st April—India	11,920,026	Balance on 31st March—India	10,204,526
England	2,213,121	England	2,696,121
GRAND TOTAL £.	104,036,547	GRAND TOTAL £.	104,036,547

	£.
Revenue	72,327,600
Expenditure chargeable thereon	71,681,000
Surplus (+) or Deficit (—) £.	+646,600

BUDGET ESTIMATE FOR 1885-86.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

[£. 1 is recorded for every 10 rupees, in respect of transactions in India, including those of "Exchange."]

HEADS OF REVENUE.	INDIA.		England.	Exchange.*	TOTAL.
	Imperial.	Provincial and Local.			
PRINCIPAL HEADS OF REVENUE:	£.	£.	£.	£.	£.
I.—Land Revenue	13,493,800	8,840,400	- -	- -	22,334,200
II.—Opium	9,025,500	- -	- -	- -	9,025,500
III.—Salt	6,367,200	32,800	- -	- -	6,400,000
IV.—Stamps	1,835,100	1,798,300	- -	- -	3,633,400
V.—Excise	2,060,100	2,009,900	- -	- -	4,070,000
VI.—Provincial Rates	2,200	2,854,600	- -	- -	2,856,800
VII.—Customs	996,800	178,200	- -	- -	1,175,000
VIII.—Assessed Taxes	257,400	257,500	- -	- -	514,900
IX.—Forest	475,300	584,800	900	200	1,061,200
X.—Registration	141,600	140,200	- -	- -	281,800
XI.—Tributes from Native States	691,300	- -	- -	- -	691,300
Total	35,346,300	16,696,700	900	200	**52,044,100**
XII.—INTEREST	627,700	31,700	10,000	2,600	**672,000**
POST OFFICE, TELEGRAPH, AND MINT:					
XIII.—Post Office	1,097,700	4,000	- -	- -	1,101,700
XIV.—Telegraph	539,700	400	26,100	6,900	573,100
XV.—Mint	125,000	- -	- -	- -	125,000
Total	1,762,400	4,400	26,100	6,900	**1,799,800**
RECEIPTS BY CIVIL DEPARTMENTS:					
XVI.—Law and Justice	42,800	552,500	- -	- -	595,300
XVII.—Police	7,800	303,800	- -	- -	311,600
XVIII.—Marine	60,700	115,700	- -	- -	176,400
XIX.—Education	1,100	200,700	- -	- -	201,800
XX.—Medical	100	52,500	2,000	500	55,100
XXI.—Scientific and other Minor Departments	20,300	65,800	500	100	86,700
Total	132,800	1,291,000	2,500	600	**1,426,900**
MISCELLANEOUS:					
XXII.—Receipts in aid of Superannuation, &c.	232,000	25,700	94,600	24,900	377,200
XXIII.—Stationery and Printing	13,500	40,600	- -	- -	54,100
XXIV.—Exchange	185,100	- -	- -	- -	185,100
XXV.—Miscellaneous	38,800	228,900	3,000	800	271,500
Total	469,400	295,200	97,600	25,700	**887,900**
RAILWAYS:					
XXVI.—State Railways (gross Earnings)	8,169,600	1,020,500	200	100	9,190,400
XXVII.—Guaranteed Companies (net Traffic Receipts)	3,360,000	- -	- -	- -	3,360,000
XXVIII.—Subsidized Companies (repayment of Advances of Interest)	—	—	—	—	—
Total	11,529,600	1,020,500	200	100	**12,550,400**
IRRIGATION:					
XXIX.—Major Works: Direct Receipts	302,600	572,100	- -	- -	874,700
Portion of Land Revenue due to Irrigation	530,400	- -	- -	- -	530,400
XXX.—Minor Works and Navigation	29,900	105,500	- -	- -	135,400
Total	862,900	677,600	- -	- -	**1,540,500**
BUILDINGS AND ROADS:					
XXXI.—Military Works	40,800	- -	- -	- -	40,800
XXXII.—Civil Works	7,700	466,900	21,200	5,600	501,400
Total	48,500	466,900	21,200	5,600	**542,200**
RECEIPTS BY MILITARY DEPARTMENTS:					
XXXIII.—Army: Effective	770,100	- -	36,000	9,500	815,600
Non-Effective	43,900	- -	3,400	900	48,200
Total	814,000	- -	39,400	10,400	**863,800**
TOTAL REVENUES £.	51,593,600	20,484,000	197,900	52,100	**72,327,600**

* The columns headed "Exchange" show under the several heads of Revenue and Expenditure, which include transactions in England, the exchange thereon calculated in accordance with the average rate estimated to be obtained for bills and telegraphic transfers sold during the year.

BUDGET ESTIMATE FOR 1885-86.

B.—STATEMENT of the EXPENDITURE chargeable on the REVENUES of INDIA, in INDIA and in ENGLAND.

[£.1 is recorded for every 10 rupees, in respect of transactions in India, including those of "Exchange."]

HEADS OF EXPENDITURE.	INDIA.		England.	Exchange.†	TOTAL.
	Imperial.	Provincial and Local.			
DIRECT DEMANDS ON THE REVENUES:	£.	£.	£.	£.	£.
1. Refunds and Drawbacks	145,500	78,900	- -	- -	224,400
2. Assignments and Compensations	564,300	684,200	- -	- -	1,248,500
Charges in respect of Collection, viz.:—					
3. Land Revenue	299,100	3,144,700	500	100	3,444,400
4. Opium (including cost of Production)	2,473,700	- -	4,500	1,200	2,479,400
5. Salt (including cost of Production)	398,400	93,900	- -	- -	492,300
6. Stamps	24,200	60,600	44,700	11,800	141,300
7. Excise	61,800	61,700	- -	- -	123,500
8. Provincial Rates	- -	113,500	- -	- -	113,500
9. Customs	- -	133,200	- -	- -	133,200
10. Assessed Taxes	6,500	6,900	- -	- -	13,400
11. Forest	316,900	408,400	4,300	1,100	730,700
12. Registration	90,900	90,200	- -	- -	181,100
Total	4,381,300	4,876,200	54,000	14,200	**9,325,700**
INTEREST:					
13. Interest on Debt* other than that charged to Railways and Irrigation Works	710,200	- -	2,444,100	643,200	3,797,500
14. Interest on other Obligations	408,000	3,000	2,300	600	413,900
Total	1,118,200	3,000	2,446,400	643,800	**4,211,400**
POST OFFICE, TELEGRAPH, AND MINT:					
15. Post Office	1,054,300	107,000	127,300	33,500	1,322,100
16. Telegraph	607,300	600	232,100	61,100	901,100
17. Mint	77,500	- -	10,300	2,700	90,500
Total	1,739,100	107,600	369,700	97,300	**2,313,700**
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:					
18. General Administration	691,000	724,700	237,100	62,400	1,635,200
19. Law and Justice	167,100	3,270,400	2,300	600	3,440,400
20. Police	85,500	2,770,200	- -	- -	2,855,700
21. Marine (including River Navigation)	225,600	140,200	157,400	41,400	564,600
22. Education	14,000	1,277,000	200	- -	1,292,100
23. Ecclesiastical	169,700	- -	300	100	170,100
24. Medical	16,400	744,000	7,600	2,000	770,000
25. Political	629,200	600	29,300	7,700	666,800
26. Scientific and other Minor Departments	269,600	208,300	19,600	5,200	502,700
Total	2,179,000	9,145,400	453,800	119,400	**11,897,600**
MISCELLANEOUS CIVIL CHARGES:					
27. Territorial and Political Pensions	654,900	- -	21,300	5,600	681,800
28. Civil Furlough and Absentee Allowances	5,200	- -	220,000	57,900	283,100
29. Superannuation Allowances and Pensions	192,700	570,700	1,549,000	407,600	2,720,000
30. Stationery and Printing	—9,900	383,900	135,000	35,500	544,500
32. Miscellaneous	67,500	196,200	26,000	6,900	296,600
Total	910,400	1,150,800	1,951,300	513,500	**4,526,000**
FAMINE RELIEF AND INSURANCE:					
33. Famine Relief	- -	33,000	- -	- -	33,000
34. Construction of Protective Railways	500,000	- -	- -	- -	500,000
35. Construction of Protective Irrigation Works	287,300	- -	- -	- -	287,300
36. Reduction of Debt	679,700	- -	- -	- -	679,700
Total	1,467,000	33,000	- -	- -	**1,500,000**
Carried forward £.	11,795,000	15,316,000	5,275,200	1,388,200	33,774,400

*est on Debt" is distributed as follows:—

	India.	England.	Exchange.	TOTAL.
	£.	£.	£.	£.
Debt other than that charged to Railways and Works, as above	710,200	2,444,100	643,200	3,797,500
Revenue Account	2,164,900	363,900	95,800	2,624,600
	924,900	- -	- -	924,900
TOTAL £.	3,800,000	2,808,000	739,000	7,347,000

† *See* foot-note (*) to Statement of Revenue, page 57.

BUDGET ESTIMATE FOR 1885-86.

B.—STATEMENT of the EXPENDITURE chargeable on the REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

[£. 1 is recorded for every 10 rupees, in respect of transactions in India, including those of "Exchange."]

HEADS OF EXPENDITURE.	INDIA. Imperial.	INDIA. Provincial and Local.	England.	Exchange.†	TOTAL.
	£.	£.	£.	£.	£.
Brought forward - - -	11,795,000	15,316,000	5,275,200	1,388,200	33,774,400
37.—Construction of Railways (charged against Revenue in addition to that under Famine Insurance) - - -	500,000	293,800	- -	- -	**793,800**
RAILWAY REVENUE ACCOUNT:					
38.—State Railways:					
Working Expenses - - - - - - - -	3,873,800	655,600	- -	- -	4,529,400
Interest on Debt - - - - - - - -	1,795,000	369,900	363,000	95,800	2,624,600
Annuities in purchase of Railways - - -	- -	- -	1,317,300	346,700	1,664,000
Interest on Capital deposited by Companies - -	300	- -	141,000	37,100	178,400
39.—Guaranteed Companies:					
Surplus Profits, Land, and Supervision - - -	516,000	- -	- -	- -	516,000
Interest - - - - - - - - -	4,400	- -	3,205,000	843,400	4,052,800
40.—Subsidized Companies:					
Land, &c. - - - - - - - - - -	27,500	12,300	- -	- -	39,800
Advances of Interest - - - - - - - -	—	—	—	—	—
41.—Miscellaneous Railway Expenditure - - - -	86,400	17,800	- -	- -	104,200
Total - - -	6,303,400	1,055,600	5,027,200	1,323,000	**13,709,200**
IRRIGATION:					
42.—Major Works:					
Working Expenses - - - - - - - -	251,100	342,000	- -	- -	593,100
Interest on Debt - - - - - - - -	444,100	480,800	- -	- -	924,900
43.—Minor Works and Navigation - - - - -	523,800	182,300	1,200	300	707,600
Total - - -	1,219,000	1,005,100	1,200	300	**2,225,600**
BUILDINGS AND ROADS:					
44.—Military Works - - - - - - - - -	1,088,300	- -	2,200	600	1,091,100
45.—Civil Works - - - - - - - - - -	502,900	3,537,700	75,900	20,000	4,136,500
Total - - -	1,591,200	3,537,700	78,100	20,600	**5,227,600**
ARMY SERVICES:					
46.—Army:					
Effective - - - - - - - - - -	11,347,400	- -	1,523,900	401,000	13,272,300
Non-Effective - - - - - - - - -	814,100	- -	2,049,000	539,200	3,402,300
Total - - -	12,161,500	- -	3,572,900	940,200	**16,674,600**
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	33,570,100	21,208,200	13,954,600	3,672,300	72,405,200
Add—Portion of Allotments to Provincial Governments not spent by them in the year - - - - - - - -	- -	28,900	- -	- -	— 724,200
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances - - - - - - - - -	- -	—753,100			
TOTAL EXPENDITURE charged against Revenue - - £.	33,570,100	20,484,000	13,954,600	3,672,300	**71,681,000**

EXPENDITURE NOT CHARGED TO REVENUE:	India.	England.	Exchange.	TOTAL.
	£.	£.	£.	£.
Capital Outlay on Railways and Irrigation Works:				
47.—State Railways - - - - - - - - -	1,972,700	1,410,000	371,100	3,753,800
48.—Irrigation Works - - - - - - - -	813,700	6,000	1,600	821,300
TOTAL - - - £.	2,786,400	1,416,000	372,700	**4,575,100**

† *See* foot-note (*) to Statement of Revenue, page 57.

BUDGET ESTIMATE FOR 1885-86.

C.—STATEMENT of RECEIPTS and DISBURSEMENTS other than REVENUE and EXPENDITURE of the GOVERNMENT of INDIA, in INDIA and in ENGLAND.

[£. 1 is recorded for every 10 rupees, in respect of transactions in India, including those of "Excha nge."]

	India.	England.	TOTAL.		India.	England.	TOTAL.
	£.	£.	£.		£.	£.	£.
REVENUE (from Statement A.)	72,077,600	197,900	72,275,500	Expenditure, Imperial and Provincial (from Statement B.).	54,778,300	13,954,600	68,732,900
Exchange added to Revenue	52,100	- -	52,100	Exchange, charged as Expenditure	3,672,300	- -	3,672,300
				Add—Provincial Surpluses, transferred to "Deposits."	28,900	- -	28,900
				Deduct—Provincial Deficits, charged against "Deposits."	*—753,100*	- -	*—753,100*
Total	72,129,700	197,900	72,327,600	Total	57,726,400	13,954,600	71,681,000
				Expenditure not charged to Revenue:			
				Capital Expenditure on Public Works not charged against Revenue.	2,786,400	1,416,000	
				Add—Exchange on Expenditure not charged to Revenue.	372,700	—	
				Total	3,159,100	1,416,000	4,575,100
PERMANENT DEBT INCURRED:							
Sterling Debt:							
India 3½ per Cent. Stock	—	—		PERMANENT DEBT DISCHARGED:			
				Sterling Debt:			
India 3 per Cent. Stock	—	—		East India Bonds	—	—	
				India 5 per Cent. Stock	—	—	
Debenture and Debenture Stock	—	—		India 4 per Cent. Debentures	—	—	
Proposed Loan	- -	2,225,000		India 4 per Cent. Stock	—	—	
				East Indian Railway Debentures	—	—	
				East Indian Railway Debenture Stock.	—	—	
				Eastern Bengal Railway Debentures	—	—	
Rupee Debt:							
4 per Cent. Rupee Loan	—	—		*Rupee Debt:*			
Stock Notes	—	—		5½ per Cent. Loans 5 per Cent. Loans 4 per Cent. Loans	20,000	—	
Miscellaneous	—	—		5 per Cent. Debentures	—	—	
				4½ per Cent. Loans	—	—	
				Stock Notes	—	—	
				Miscellaneous	—	—	
Total	- -	2,225,000	2,225,000	Total	20,000	- -	20,000
Net	- -	- -	**2,205,000**	Net	- -	- -	**0**
UNFUNDED DEBT:				UNFUNDED DEBT:			
Temporary Loans	—	—		Temporary Loans	—	—	
Special Loans	—	—		Special Loans	—	—	
Treasury Notes	330,000	—		Treasury Notes	147,500	—	
Deposits of Service Funds	610,200	—		Deposits of Service Funds	612,200	1,000	
Savings Bank Deposits	3,402,200	4,800		Savings Bank Deposits	2,938,100	—	
Total	4,342,400	4,800	4,347,200	Total	3,697,800	1,000	3,698,800
Net	- -	- -	**648,400**	Net	- -	- -	**0**
DEPOSITS AND ADVANCES:				DEPOSITS AND ADVANCES:			
Balances of Provincial Allotments	28,900	—		Balances of Provincial Allotments	753,100	—	
Commission for the Reduction of Debt	679,700	—		Commission for the Reduction of Debt	2,000	—	
Excluded Local Funds	569,300	—		Excluded Local Funds	535,300	—	
Political, Railway, and Military Prize Funds.	31,300	—		Political, Railway, and Military Prize Funds.	24,900	—	
Departmental and Judicial Deposits	15,726,900	—		Departmental and Judicial Deposits	15,688,900	—	
Advances	9,939,500	2,000		Advances	9,963,500	2,000	
Suspense Accounts	13,000	—		Suspense Accounts	30,100	—	
Exchange on Remittance Accounts	234,200	—		Miscellaneous	38,000	—	
Miscellaneous	38,300	250,000					
Total	27,261,100	252,000	27,513,100	Total	27,040,800	2,000	27,042,800
Net	- -	- -	**470,300**	Net	- -	- -	**0**
Carried forward £.	103,733,200	2,679,700	106,412,900	Carried forward £.	91,644,100	15,373,600	107,017,700

BUDGET ESTIMATE FOR 1885-86.

C.—STATEMENT of RECEIPTS and DISBURSEMENTS other than REVENUE and EXPENDITURE of the GOVERNMENT of INDIA, in INDIA and in ENGLAND—*continued.*

[£. 1 is recorded for every 10 rupees, in respect of transactions in India, including those of "Exchange."]

	India.	England.	TOTAL.
	£.	£.	£.
Brought forward - - -	103,733,200	2,679,700	106,412,900
LOANS TO MUNICIPALITIES, NATIVE STATES, &c.	376,900	- -	376,900
Net - - -	- -	- -	308,100
CAPITAL RECEIPTS FROM RAILWAY COMPANIES:			
On account of Subscribed Capital	1,615,200	3,464,800	
Repayments - - - - -			
Total - - -	1,615,200	3,464,800	5,080,000
Net - - - -	- -	- -	0
REMITTANCES:			
Inland Money Orders - - -	9,000,000	—	
Other Local Remittances (net) -	14,000	—	
Other Departmental Accounts -	1,004,400	—	
Net Receipts by Civil Treasuries from—			
Post Office - - - - -	462,000	—	
Guaranteed Railways - -	3,937,300	—	
Net Receipts from Civil Treasuries by—			
Telegraph - - - - - -	120,000	—	
Marine - - - - - -	211,600	—	
Military - - - - - -	11,629,600	—	
Public Works - - - -	5,238,300	—	
Remittance Account between England and India.	1,400,500	1,088,700	
Total - - -	33,068,300	1,088,700	34,157,000
Net - - - -	- -	- -	170,300
SECRETARY OF STATE'S BILLS DRAWN.	- -	13,773,700	13,773,700
TOTAL RECEIPTS - - -	138,793,600	21,006,900	159,800,500
Opening Balance - -	11,920,026	2,213,121	14,133,147
GRAND TOTAL - - - £.	150,713,626	23,220,021	173,933,647

	India.	England.	TOTAL.
	£.	£.	£.
Brought forward - - -	91,614,100	15,373,600	107,017,700
LOANS TO MUNICIPALITIES, NATIVE STATES, &c.	68,800	- -	68,800
Net - - -	- -	- -	0
PAYMENTS TO RAILWAY COMPANIES ON CAPITAL ACCOUNT:*			
For Discharge of Debentures -	2,510,500	3,675,600	
For Expenditure - - - -			
Total - - -	2,510,500	3,675,600	6,186,100
Net - - - -	- -	- -	1,106,100
REMITTANCES:			
Inland Money Orders - - -	9,000,000	—	
Other Local Remittances (net) -	—	—	
Other Departmental Accounts -	1,003,500	—	
Net Payments into Civil Treasuries by—			
Post Office - - - - -	462,000	—	
Guaranteed Railways - -	3,937,300	—	
Net Issues from Civil Treasuries to—			
Telegraph - - - - - -	120,000	—	
Marine - - - - - -	211,600	—	
Military - - - - - -	11,629,600	—	
Public Works - - - -	5,238,300	—	
Remittance Account between England and India.	859,100	1,474,700	
Total - - -	32,512,000	1,474,700	33,986,700
Net - - - -	- -	- -	0
SECRETARY OF STATE'S BILLS PAID	13,773,700	- -	13,773,700
TOTAL DISBURSEMENTS - - -	140,500,100	20,523,900	161,033,900
Closing Balance - - - -	10,204,526	2,696,121	12,900,647
GRAND TOTAL - - - £.	150,713,626	23,220,021	173,933,647

* This does not include advances to the East Indian Railway Company, or advances to the Bombay, Baroda, and Central India Railway Company on account of the Rajputana-Malwa Railway, which are treated as remittances.

E. W. Kellner,
Deputy Comptroller General.

E. Gay.
Officiating Comptroller General.

D. Barbour,
Secretary to the Government of India.

Fort William,
Department of Finance and Commerce,
24 March 1886.

APPENDIX III.

ACCOUNTS OF THE GOVERNMENT OF INDIA, 1875-76 to 1884-85.

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N.B.—These accounts differ from the corresponding figures published in 1884, owing to the distribution of exchange over the receipts and payments in England, the re-arrangement of Public Works revenue and expenditure, and small changes of classification in some other heads.

GENERAL COMPARATIVE STATEMENT of REVENUE and EXPENDITURE and in ENGLAND,

REVENUE AND RECEIPTS.

[£. 1 is recorded for every 10 rupees, in respect of transactions in India, including those of "Exchange."]

	1875-76.	1876-77.	1877-78.
REVENUE:			
Principal Heads of Revenue:	£.	£.	£.
Land Revenue	21,540,480	19,891,491	19,891,145
Opium	8,471,425	9,122,460	9,182,722
Salt	6,245,555	6,305,869	6,461,225
Stamps	2,835,368	2,838,628	2,993,483
Excise	2,494,339	2,523,986	2,458,029
Other Heads	6,297,705	5,939,963	6,571,794
Total, Principal Heads	47,884,872	46,622,397	47,558,398
Interest	582,206	547,176	537,887
Post Office, Telegraph, and Mint	1,187,163	1,400,065	1,639,267
Receipts by Civil Departments	1,288,543	1,301,474	1,406,187
Miscellaneous	1,291,620	1,199,093	1,134,291
Railways	4,574,507	5,494,802	7,243,730
Irrigation	575,038	599,301	816,822
Buildings and Roads	523,833	554,884	756,664
Receipts by Military Departments	1,057,377	932,715	879,235
Total Revenue	**58,965,159**	**58,651,907**	**61,972,481**
DEBT, DEPOSITS, AND ADVANCES:			
Permanent Debt (Net incurred)	4,123,022	4,750,145	7,311,394
Unfunded Debt (Net incurred)	297,493	282,996	226,284
Deposits and Advances (Net)	- -	- -	1,410,892
Loans to Municipalities, Native States, &c. (Net Recoveries)	- -	- -	- -
Capital of Railway Companies (Net Receipts)	- -	- -	125,747
Remittances (Net)	944,755	506,130	100,637
Secretary of State's Bills drawn	12,380,613	12,695,799	10,134,455
Total Receipts	76,720,042	76,886,977	81,341,890
Balance on 1st April:			
India	15,177,814	16,952,494	12,750,698
England	2,796,370	919,899	2,713,967
GRAND TOTAL £.	94,694,226	94,759,370	96,806,555

and RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA 1875-76 to 1884-85.

- - - - - - - REVENUE AND RECEIPTS.

[£.1 is recorded for every 10 rupees, in respect of transactions in India, including those of "Exchange."]

1878-79.	1879-80.	1880-81.	1881-82.	1882-83.	1883-84.	1884-85.
£.	£.	£.	£.	£.	£.	£.
22,323,868	21,861,150	21,112,995	21,948,022	21,876,047	22,361,899	21,832,211
9,399,401	10,319,162	10,480,051	9,862,444	9,499,594	9,556,501	8,816,469
6,941,120	7,266,413	7,115,988	7,375,620	6,177,781	6,145,418	6,507,236
3,110,540	3,193,739	3,250,581	3,381,372	3,379,681	3,513,201	3,606,622
2,619,349	2,838,021	3,135,226	3,427,274	3,609,561	3,836,961	4,011,867
7,442,087	7,596,462	7,607,786	7,660,190	6,411,574	6,624,426	6,306,017
51,836,365	53,074,947	52,702,627	53,654,922	50,954,238	52,038,401	51,080,422
631,646	754,764	915,709	908,554	699,401	856,255	711,011
1,515,747	1,740,797	1,651,611	1,489,939	1,688,540	1,677,337	1,797,816
1,391,252	1,448,310	1,471,838	1,523,086	1,438,411	1,428,518	1,373,144
1,085,988	941,586	1,150,598	835,379	714,413	748,211	723,885
6,255,612	7,349,004	9,435,336	10,885,483	10,973,030	11,960,157	11,898,131
917,826	1,519,501	1,626,820	1,479,459	1,533,828	1,612,579	1,675,975
574,642	506,153	550,111	597,083	552,366	552,113	615,097
984,942	1,098,095	4,785,462	4,311,082	1,724,110	968,219	815,170
65,194,020	**68,433,157**	**74,290,112**	**75,684,987**	**70,278,337**	**71,841,790**	**70,690,681**
3,236,490	13,860,022	5,679,570	- -	3,086,791	3,062,953	1,193,924
1,182,743	1,598,793	- -	335,853	650,744	352,480	958,409
- -	- -	4,246,268	- -	653,737	- -	1,132,006
- -	178,554	- -	195,183	299,042	171,960	24,051
- -	465,191	- -	- -	1,596,619	—	—
- -	961,870	696,467	860,373	186,211	10,120	—
13,943,565	15,261,810	15,239,677	18,412,429	14,119,128*	17,599,805	13,758,909
83,561,818	100,759,397	100,152,094	95,488,825	90,870,609	93,039,108	87,757,980
14,498,302	12,792,153	13,029,894	13,371,101	14,522,913	14,821,550	13,199,926
1,076,657	1,117,925	2,270,107	4,127,749	2,620,909	3,429,874	4,113,221
99,136,777	114,669,475	115,452,095	112,987,675	108,014,431	111,290,532	105,071,127

* Exclusive of 1,001,393 *l.* drawn on account of the Commission for the Reduction of Debt.

GENERAL COMPARATIVE STATEMENT of REVENUE and EXPENDITURE and in ENGLAND,

EXPENDITURE AND DISBURSEMENTS.

[£.1 is recorded for every 10 Rupees, in respect of transactions in India, including those of "Exchange."]

	1875-76.	1876-77.	1877-78.
EXPENDITURE:	£.	£.	£.
Direct Demands on the Revenues	7,879,441	8,407,356	8,321,008
Interest	4,828,940	5,054,845	5,158,310
Post Office, Telegraph, and Mint	1,523,705	1,560,428	1,594,705
Salaries and Expenses of Civil Departments	10,325,679	10,612,263	10,462,302
Miscellaneous Civil Charges	4,379,910	4,255,297	4,177,894
Famine Relief and Insurance	602,030	2,145,517	5,347,634
Construction of Railways (Charged against Revenue, in addition to that under Famine Insurance)	29,680	38,260	50,896
Railway Revenue Account	6,133,267	6,641,009	7,393,880
Irrigation	1,722,106	1,621,170	1,808,496
Buildings and Roads	4,683,930	4,561,185	4,251,110
Army Services	15,701,897	16,463,813	17,300,484
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	57,810,585	61,361,143	65,866,719
Add—Provincial Surpluses, that is, portion of Allotments to Provincial Governments not spent by them in the year	10,065	238,962	393,458
Deduct—Provincial Deficits, that is, portion of Provincial Expenditure defrayed from Provincial balances	*—444,746*	*—364,022*	*—25,656*
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	**57,375,904**	**61,236,083**	**66,234,521**
EXPENDITURE NOT CHARGED TO REVENUE:			
Capital Outlay on Public Works	**4,351,685**	**3,912,042**	**4,964,301**
Capital Charge involved in Redemption of Liabilities	- -	- -	- -
DEBT, DEPOSITS, AND ADVANCES:			
Permanent Debt (Net Discharged)	- -	- -	- -
Unfunded Debt (Net Discharged)	- -	- -	- -
Deposits and Advances (Net)	582,426	323,053	- -
Loans to Municipalities, Native States, &c. (Net Advanced)	387,487	473,174	1,082,017
Capital of Railway Companies (Net Payments)	1,043,184	970,376	- -
Remittances (Net)	- -	- -	- -
Secretary of State's Bills paid	13,081,147	12,379,977	8,950,757
TOTAL DISBURSEMENTS	76,821,833	79,294,705	81,231,596
Balance on 31st March—India	16,952,494	12,750,698	14,498,302
England	919,899	2,713,967	1,076,657
GRAND TOTAL £.	94,694,226	94,759,370	96,806,555
Revenue	58,965,159	58,651,907	61,972,481
Expenditure chargeable thereon	57,375,904	61,236,083	66,234,521
Surplus (+) or Deficit (—) under the new System	+ 1,589,255	— 2,584,176	— 4,262,040
Difference arising from stating Exchange according to old System (*see* paragraph 4 of Financial Statement)	+ 79,690	+ 401,398	+ 718,953
Surplus (+) or Deficit (—) under the old System	+ 1,668,945	— 2,182,778	— 3,543,087

and RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA 1875–76 to 1884-85—*continued.*

EXPENDITURE AND DISBURSEMENTS.

[£.1 is recorded for every 10 Rupees, in respect of transactions in India, including those of "Exchange."]

1878–79.	1879–80.	1880–81.	1881–82.	1882 83.	1883–84.	1884–85.
£.	£.	£.	£.	£.	£.	£.
7,477,863	7,867,085	8,053,405	8,228,316	8,488,957	8,491,594	9,559,055
5,401,001	5,390,069	4,633,536	4,859,395	4,770,346	4,524,763	4,619,443
1,702,312	1,748,102	1,804,364	1,804,523	1,929,207	2,038,056	2,145,249
10,466,415	10,467,074	10,678,589	11,138,381	11,047,913	11,862,323	11,743,167
4,409,196	4,371,356	4,291,204	4,502,782	4,373,349	4,304,431	4,315,929
313,547	104,059	34,840	1,567,886	1,495,972	1,522,813	1,548,357
171,782	1,842,733	2,473,654	512,655	480,923	*— 176,295*	263,501
8,331,307	8,919,432	10,479,386	11,171,067	12,278,890	12,265,069	12,949,306
1,730,641	1,831,051	1,910,385	2,048,356	2,249,855	2,159,779	2,248,981
4,341,669	3,925,425	4,331,685	5,047,873	5,331,281	5,810,767	5,009,277
17,938,784	22,580,715	28,932,497	19,688,510	18,359,433	18,123,692	16,963,803
62,344,517	69,047,751	77,623,545	70,569,744	70,806,126	70,426,992	71,366,071
716,378	633,077	336,686	1,521,019	112,171	123,501	73,840
— 973	*— 19,778*	*— 98,725*	*— 1,227*	*— 1,314,797*	*— 588,180*	*— 362,784*
63,059,922	**69,661,050**	**77,921,506**	**72,089,536**	**69,603,500**	**69,962,313**	**71,077,127**
4,521,001	**3,613,938**	**3,740,704**	**2,784,519**	**4,661,124**	**3,574,105**	**4,226,613**
- -	**9,576,614**	- -	**586,300**	**480,333**	**566,261**	**1,314,746**
- -	- -	- -	292,842	—	—	—
- -	- -	808,694	—	—	—	—
682,754	1,603,780	- -	1,268,950	- - -	1,033,877	—
1,030,712	- -	174,526	—	—	—	—
154,531	- -	165,600	485,309	- - -	843,589	391,958
1,270,039	- -	- -	- -	- - -	- - -	349,441
14,507,740	14,914,094	15,142,215	18,336,997	(*a*) 15,018,050	(*b*) 17,997,240	12,921,332
85,226,699	99,360,474	97,953,245	95,843,853	89,763,007	93,977,385	90,281,217
12,792,153	13,029,804	13,371,101	14,522,913	14,821,550	13,199,926	12,540,532
1,117,925	2,270,107	4,127,749	2,620,909	3,429,874	4,113,221	2,249,378
99,136,777	114,669,475	115,452,095	112,987,675	108,014,431	111,290,532	105,071,127
65,194,020	68,433,157	74,290,112	75,684,987	70,278,337	71,841,790	70,690,681
63,059,922	69,661,050	77,921,506	72,089,536	69,603,500	69,962,313	71,077,127
+ 2,134,098	— 1,227,893	— 3,631,394	+ 3,595,451	+ 674,837	+ 1,879,477	— 386,446
— 99,852	+ 44,944	— 412,961	— 1,012,724	+ 31,796	— 491,981	+ 236,711
+ 2,034,246	— 1,182,949	— 4,044,355	+ 2,582,727	+ 706,633	+ 1,387,496	— 149,735

(*a*) Exclusive of Bills drawn on account of the Commission for the Reduction of Debt.
(*b*) Exclusive of Bills drawn last year on account of the Commission for the Reduction of Debt.

ACCOUNT of the REVENUE of INDIA, in INDIA

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	1875-76. India.	1875-76. England.	1875-76. Exchange.*	1875-76. TOTAL.	1876-77. India.	1876-77. England.
PRINCIPAL HEADS OF REVENUE:	£.	£.	£.	£.	£.	£.
Land Revenue	21,540,480	- -	- -	21,540,480	19,89[illegible],491	- -
Opium	8,471,425	- -	- -	8,471,425	9,122,460	- -
Salt	6,245,555	- -	- -	6,245,555	6,305,869	- -
Stamps	2,835,368	- -	- -	2,835,368	2,838,628	- -
Excise	2,494,339	- -	- -	2,494,339	2,523,986	- -
Provincial Rates	1,947,255	- -	- -	1,947,255	1,930,325	- -
Customs	2,724,426	- -	- -	2,724,426	2,484,448	- -
Assessed Taxes	14,642	- -	- -	14,642	14,535	- -
Forest	697,543	- -	- -	697,543	616,468	- -
Registration	187,651	- -	- -	187,651	199,253	- -
Tributes from Native States	726,188	- -	- -	726,188	694,934	- -
TOTAL	47,884,872	- -	- -	**47,884,872**	46,622,397	- -
INTEREST	541,950	36,273	3,983	**582,206**	516,408	26,291
POST OFFICE, TELEGRAPH, AND MINT:						
Post Office	765,751	- -	- -	765,751	797,465	- -
Telegraph	291,918	17,122	1,880	310,920	326,461	14,766
Mint	110,459	30	3	110,492	258,828	26
TOTAL	1,168,128	17,152	1,883	**1,187,163**	1,382,754	14,792
RECEIPTS BY CIVIL DEPARTMENTS:						
Law and Justice	593,295	510	56	593,861	609,033	- -
Police	234,736	- -	- -	234,736	216,856	- -
Marine	229,732	- -	- -	229,732	233,166	13
Education	147,140	- -	- -	147,140	150,056	- -
Medical	32,672	2,022	222	34,916	35,132	1,545
Scientific and other Minor Departments	42,131	5,431	596	48,158	38,376	14,554
TOTAL	1,279,706	7,963	874	**1,288,543**	1,282,619	16,112
MISCELLANEOUS:						
Receipts in Aid of Superannuation, &c.	659,672	93,099	10,288	763,659	516,554	94,651
Stationery and Printing	59,135	- -	- -	59,135	50,024	- -
Exchange (*a*)	- -	- -	- -	- -	- -	- -
Miscellaneous	456,762	10,870	1,194	468 826	491,095	26,193
TOTAL	1,175,569	104,569	11,482	**1,291,620**	1,057,673	120,844
RAILWAYS:						
State Railways (Gross Earnings)	292,835	- -	- -	292,835	380,668	- -
Guaranteed Companies (net Traffic Receipts) (*b*)	4,280,684	890	98	4,281,672	5,114,134	- -
Subsidized Companies (Repayment of Advances of Interest).	- -	- -	- -	- -	- -	- -
TOTAL	4,573,519	890	98	**4,574,507**	5,494,802	- -
IRRIGATION:						
Major Works: Direct Receipts	429,679	- -	- -	429,679	424,850	351
Portion of Land Revenue due to Irrigation.	- -	- -	- -	- -	- -	- -
Madras Irrigation Company (Net Traffic Receipts).	*—17,765*	- -	- -	*—17,765*	*—3,229*	- -
Minor Works and Navigation	162,828	267	29	163,124	177,269	- -
TOTAL	574,742	267	29	**575,038**	598,890	351
BUILDINGS AND ROADS:						
Military Works	16,478	- -	- -	16,478	39,251	- -
Civil Works	487,877	17,551	1,927	507,355	495,512	17,194
TOTAL	504,355	17,551	1,927	**523,833**	534,763	17,194
RECEIPTS BY MILITARY DEPARTMENTS:						
Army: Effective	922,860	105,844	11,622	1,040,326	858,262	30,912
Non-Effective	15,604	1,304	143	17,051	24,678	11,621
Military Operations in Afghanistan	- -	- -	- -	- -	- -	- -
" " *Egypt*	- -	- -	- -	- -	- -	- -
TOTAL	938,464	107,148	11,765	**1,057,377**	882,940	42,533
TOTAL REVENUES £.	58,641,305	291,813	32,041	**58,965,159**	58,373,246	238,117

* The columns headed "Exchange" show under the several heads of Revenue and Expenditure which include transactions in England the Exchange thereon, calculated in accordance with the average rate obtained for bills and telegraphic transfers sold during the year.

(*a*) *See* para. 6 of Financial Statement (page 5)

(*b*) Includes transactions on account of the East Indian Railway up to 31st December 1879.

and in ENGLAND, 1875-76 to 1884-85.

Transactions in *India*, including those of "Exchange."]

- - 1876-77.		1877-78.				HEADS OF REVENUE.
Exchange.*	TOTAL.	India.	England.	Exchange.*	TOTAL.	
£.	£.	£.	£.	£.	£.	PRINCIPAL HEADS OF REVENUE:
- -	19,891,491	19,891,145	- -	- -	19,891,145	Land Revenue.
- -	9,122,460	9,182,722	- -	- -	9,182,722	Opium
- -	6,305,869	6,461,225	- -	- -	6,461,225	Salt.
- -	2,838,628	2,993,483	- -	- -	2,993,483	Stamps.
- -	2,523,986	2,458,029	- -	- -	2,458,029	Excise.
- -	1,930,325	2,255,937	- -	- -	2,255,937	Provincial Rates.
- -	2,484,448	2,624,123	- -	- -	2,624,123	Customs.
- -	14,535	101,682	- -	- -	101,682	Assessed Taxes.
- -	616,468	665,265	13,434	2,073	680,772	Forest.
- -	199,253	234,160	- -	- -	234,160	Registration.
- -	694,934	675,120	- -	- -	675,120	Tributes from Native States.
- -	**46,622,397**	47,542,891	13,434	2,073	**47,558,398**	- - - TOTAL.
4,477	**547,176**	510,626	23,617	3,644	**537,887**	INTEREST.
						POST OFFICE, TELEGRAPH, AND MINT:
- -	797,465	850,431	- -	- -	850,431	Post Office.
2,515	343,742	352,281	*—6,933*	*—977*	344,971	Telegraph.
4	258,858	443,822	37	6	443,865	Mint.
2,519	**1,400,065**	1,646,534	*—6,296*	*—971*	**1,639,267**	- - - TOTAL.
						RECEIPTS BY CIVIL DEPARTMENTS:
- -	609,033	618,388	- -	- -	618,388	Law and Justice.
- -	216,856	255,254	- -	- -	255,254	Police.
2	233,181	231,538	- -	- -	231,538	Marine.
- -	150,056	152,990	- -	- -	152,990	Education.
263	36,940	35,959	2,023	312	38,294	Medical.
2,478	55,408	50,413	51,380	7,930	109,723	Scientific and other Minor Departments.
2,743	**1,301,474**	1,344,542	53,403	8,242	**1,406,187**	- - - TOTAL.
						MISCELLANEOUS:
16,116	627,321	499,500	102,111	15,759	617,370	Receipts in aid of Superannuation, &c.
- -	50,024	35,381	- -	- -	35,381	Stationery and Printing.
- -	- -	- -	- -	- -	- -	Exchange (*a*).
4,460	521,748	463,872	15,306	2,362	481,540	Miscellaneous.
20,576	**1,199,093**	998,753	117,417	18,121	**1,134,291**	- - - TOTAL.
						RAILWAYS:
- -	330,668	582,077	- -	- -	582,077	State Railways (Gross Earnings).
- -	5,114,134	6,661,653	- -	- -	6,661,653	Guaranteed Companies (net Traffic Receipts). (*b*)
- -	- -	- -	- -	- -	- -	Subsidized Companies (repayment of Advances of Interest).
- -	**5,494,802**	7,243,730	- -	- -	**7,243,730**	- - - TOTAL.
						IRRIGATION:
60	425,261	502,216	765	118	503,099	Major Works: Direct Receipts.
- -	- -	156,369	- -	- -	156,369	Portion of Land Revenue due to Irrigation.
- -	*—3,229*	*—8,750*	- -	- -	*—8,750*	*Madras Irrigation Company (net Traffic Receipts).*
- -	177,269	166,104	- -	- -	166,104	Minor Works and Navigation.
60	**599,301**	815,939	765	118	**816,822**	- - - TOTAL.
						BUILDINGS AND ROADS:
- -	39,251	39,237	- -	- -	39,237	Military Works.
2,927	515,633	697,705	17,085	2,637	717,427	Civil Works.
2,927	**554,884**	736,942	17,085	2,637	**756,664**	- - - TOTAL.
						RECEIPTS BY MILITARY DEPARTMENTS:
5,263	894,437	791,812	58,588	9,042	859,442	Army: Effective.
1,979	38,278	18,204	1,377	212	19,793	Non-Effective.
- -	- -	- -	- -	- -	- -	*Military Operations in Afghanistan.*
- -	- -	- -	- -	- -	- -	*" " Egypt.*
7,242	**932,715**	810,016	59,965	9,254	**879,235**	- - - TOTAL.
40,544	**58,651,907**	61,649,973	279,390	43,118	**61,972,481**	£. - - - TOTAL REVENUES.

ACCOUNT of the REVENUE of INDIA, in INDIA

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	1878–79.				1879–80.	
	India.	England.	Exchange*	TOTAL.	India.	England.
PRINCIPAL HEADS OF REVENUE:	£.	£.	£.	£.	£.	£.
Land Revenue	22,323,868	- -	- -	22,323,868	21,861,150	- -
Opium	9,399,401	- -	- -	9,399,401	10,319,162	- -
Salt	6,941,120	- -	- -	6,941,120	7,266,413	- -
Stamps	3,110,540	- -	- -	3,110,540	3,193,739	- -
Excise	2,619,349	- -	- -	2,619,349	2,838,021	- -
Provincial Rates	2,638,835	- -	- -	2,638,835	2,882,125	- -
Customs	2,326,561	- -	- -	2,326,561	2,280,793	- -
Assessed Taxes	900,920	- -	- -	900,920	785,318	- -
Forest	603,939	1,494	317	605,750	674,713	1,491
Registration	266,361	- -	- -	266,361	269,239	- -
Tributes from Native States	703,660	- -	- -	703,660	702,451	- -
TOTAL	51,834,554	1,494	317	**51,836,365**	53,073,154	1,491
INTEREST	612,934	15,433	3,279	**631,646**	714,869	33,181
POST OFFICE, TELEGRAPH, AND MINT:						
Post Office	911,806	- -	- -	911,806	1,004,372	- -
Telegraph	403,627	23,067	4,901	431,595	478,376	22,849
Mint	172,283	52	11	172,346	230,531	38
TOTAL	1,487,716	23,119	4,912	**1,515,747**	1,713,279	22,887
RECEIPTS BY CIVIL DEPARTMENTS:						
Law and Justice	647,131	- -	- -	647,131	658,902	- -
Police	211,108	- -	- -	211,108	227,657	- -
Marine	250,595	- -	- -	250,595	255,170	3,017
Education	147,425	- -	- -	147,425	139,414	- -
Medical	42,419	1,913	407	44,739	53,073	3,256
Scientific and other Minor Departments	60,142	24,835	5,277	90,254	63,355	35,927
TOTAL	1,358,820	26,748	5,684	**1,391,252**	1,397,571	42,200
MISCELLANEOUS:						
Receipts in aid of Superannuation, &c.	571,871	95,614	20,316	687,801	424,198	100,943
Stationery and Printing	47,096	- -	- -	47,096	55,103	916
Exchange (*a*)	- -	- -	- -	- -	- -	- -
Miscellaneous	334,692	13,525	2,874	351,091	325,285	12,085
TOTAL	953,659	109,139	23,190	**1,085,988**	804,586	113,944
RAILWAYS:						
State Railways (gross Earnings) (*b*)	976,828	- -	- -	976,828	2,726,420	- -
Guaranteed Companies (net Traffic Receipts) (*c*)	5,278,784	- -	- -	5,278,784	4,622,584	- -
Subsidized Companies (repayment of Advances of Interest).	- -	- -	- -	- -	- -	- -
TOTAL	6,255,612	- -	- -	**6,255,612**	7,349,004	- -
IRRIGATION:						
Major Works: Direct Receipts	612,718	552	117	613,387	707,074	967
Portion of Land Revenue due to Irrigation.	126,934	- -	- -	126,934	602,398	- -
Madras Irrigation Company (net Traffic Receipts).	8,886	- -	- -	8,886	15,799	- -
Minor Works and Navigation	168,619	- -	- -	168,619	193,067	- -
TOTAL	917,157	552	117	**917,826**	1,518,338	967
BUILDINGS AND ROADS:						
Military Works	39,554	- -	- -	39,554	38,255	- -
Civil Works	514,741	16,781	3,566	535,088	449,553	15,258
TOTAL	554,295	16,781	3,566	**574,642**	487,808	15,258
RECEIPTS BY MILITARY DEPARTMENTS:						
Army: Effective	905,662	46,110	9,798	961,570	915,968	74,348
Non-Effective	21,139	1,709	363	23,211	23,997	15,170
Military Operations in Afghanistan	161	- -	- -	161	50,499	- -
" " *Egypt*	- -	- -	- -	- -	- -	- -
TOTAL	926,962	47,819	10,161	**984,942**	990,464	89,518
TOTAL REVENUES £.	64,901,709	241,085	51,226	**65,194,020**	68,049,073	319,446

* *Vide* foot-note (*) on page 68.

(*a*) *See* para. 6 of Financial Statement (page 5). (*b*) Includes transactions on account of the East Indian Railway from 1st January 1880. (*c*) Includes transactions on account of the East Indian Railway up to 31st December 1879.

and in ENGLAND, 1875-76 to 1884-85—*continued.*

Transactions in *India*, including those of "Exchange."]

1879-80.		1880-81.				HEADS OF REVENUE.
Exchange.*	Total.	India.	England.	Exchange.*	Total.	
£.	£.	£.	£.	£.	£.	PRINCIPAL HEADS OF REVENUE:
- -	21,861,150	21,112,995	- -	- -	21,112,995	Land Revenue.
- -	10,319,162	10,480,051	- -	- -	10,480,051	Opium.
- -	7,266,413	7,115,988	- -	- -	7,115,988	Salt.
- -	3,193,739	3,250,581	- -	- -	3,250,581	Stamps.
- -	2,838,021	3,135,226	- -	- -	3,135,226	Excise.
- -	2,882,125	2,776,370	- -	- -	2,776,370	Provincial Rates.
- -	2,280,793	2,539,612	- -	- -	2,539,612	Customs.
- -	785,318	558,720	- -	- -	558,720	Assessed Taxes.
302	676,536	707,718	1,602	325	709,645	Forest.
- -	269,239	281,230	- -	- -	281,230	Registration.
- -	702,451	742,209	- -	- -	742,209	Tributes from Native States.
302	**53,074,947**	52,700,700	1,602	325	**52,702,627**	- - - TOTAL.
6,714	**754,764**	678,129	197,550	40,030	**915,709**	INTEREST.
						POST OFFICE, TELEGRAPH, and MINT:
- -	1,004,372	1,018,653	- -	- -	1,018,653	Post Office.
4,623	505,848	508,743	28,805	5,837	543,385	Telegraph.
8	230,577	89,525	40	8	89,573	Mint.
4,631	**1,740,797**	1,616,921	28,845	5,845	**1,651,611**	- - - TOTAL.
						RECEIPTS BY CIVIL DEPARTMENTS:
- -	658,902	687,764	- -	- -	687,764	Law and Justice.
- -	227,657	241,769	- -	- -	241,769	Police.
610	258,797	246,519	- -	- -	246,519	Marine.
- -	139,414	170,238	- -	- -	170,238	Education.
659	56,988	41,258	2,110	428	43,796	Medical.
7,270	106,552	62,401	16,091	3,260	81,752	Scientific and other Minor Departments.
8,539	**1,448,310**	1,449,949	18,201	3,688	**1,471,838**	- - - TOTAL.
						MISCELLANEOUS:
20,426	545,567	212,546	103,453	20,963	336,962	Receipts in aid of Superannuation, &c.
185	56,204	62,396	66	13	62,475	Stationery and Printing.
- -	- -	- -	- -	- -	- -	Exchange (*a*).
2,445	339,815	636,362	95,457	19,342	751,161	Miscellaneous.
23,056	**941,586**	911,304	198,976	40,318	**1,150,598**	- - - TOTAL.
						RAILWAYS:
- -	2,726,420	6,521,746	230	47	6,522,023	State Railways (gross Earnings) (*b*).
- -	4,622,584	2,913,313	- -	- -	2,913,313	Guaranteed Companies (net Traffic Receipts) (*c*).
- -	- -	- -	- -	- -	- -	Subsidized Companies (repayment of Advances of Interest).
- -	**7,349,004**	9,435,059	230	47	**9,435,336**	- - - TOTAL.
						IRRIGATION:
196	708,237	638,656	488	99	639,243	Major Works; Direct Receipts.
- -	602,398	797,319	- -	- -	797,319	Portion of Land Revenue due to Irrigation.
- -	15,799	*—7,650*	- -	- -	*—7,650*	*Madras Irrigation Company (net Traffic Receipts).*
- -	193,067	197,908	- -	- -	197,908	Minor Works and Navigation.
196	**1,519,501**	1,626,233	488	99	**1,626,820**	- - - TOTAL.
						BUILDINGS AND ROADS:
- -	38,255	36,727	- -	- -	36,727	Military Works.
3,087	467,898	496,775	13,811	2,798	513,384	Civil Works.
3,087	**506,153**	533,502	13,811	2,798	**550,111**	- - - TOTAL.
						RECEIPTS BY MILITARY DEPARTMENTS:
15,044	1,005,360	812,823	81,573	16,529	910,925	Army; Effective.
3,069	42,236	24,252	5,479	1,110	30,841	Non-Effective.
- -	50,499	602,607	2,695,000	546,089	3,843,696	*Military Operations in Afghanistan.*
- -	- -	- -	- -	- -	- -	" " *Egypt.*
18,113	**1,098,095**	1,439,682	2,782,052	563,728	**4,785,462**	- - - TOTAL.
64,638	**68,433,157**	70,391,479	3,241,755	656,878	**74,290,112**	£. - - - TOTAL REVENUES.

ACCOUNT of the REVENUE of INDIA, in INDIA

[£. 1 is recorded for every 10 rupees, in respect of Transactions

HEADS OF REVENUE.	1881-82.				1882-83.			
	India.	England.	Exchange.*	TOTAL.	India.	England.	Exchange.*	TOTAL.
PRINCIPAL HEADS OF REVENUE;	£.	£.	£.	£.	£.	£.	£.	£.
Land Revenue	21,948,022	- -	- -	21,948,022	21,876,047	- -	- -	21,876,047
Opium	9,862,444	- -	- -	9,862,444	9,499,594	- -	- -	9,499,594
Salt	7,375,620	- -	- -	7,375,620	6,177,781	- -	- -	6,177,781
Stamps	3,381,372	- -	- -	3,381,372	3,379,681	- -	- -	3,379,681
Excise	3,427,274	- -	- -	3,427,274	3,609,561	- -	- -	3,609,561
Provincial Rates	2,895,490	- -	- -	2,895,490	2,683,015	- -	- -	2,683,015
Customs	2,361,388	- -	- -	2,361,388	1,296,119	- -	- -	1,296,119
Assessed Taxes	536,829	- -	- -	536,829	517,811	- -	- -	517,811
Forest	872,199	2,236	461	874,896	935,494	2,734	627	938,855
Registration	284,714	- -	- -	284,714	285,829	- -	- -	285,829
Tributes from Native States	706,873	- -	- -	706,873	689,945	- -	- -	689,945
TOTAL	53,652,225	2,236	461	**53,654,922**	50,950,877	2,734	627	**50,954,238**
INTEREST	840,434	56,470	11,650	**908,554**	669,727	24,137	5,537	**699,401**
POST OFFICE, TELEGRAPH, AND MINT:								
Post Office	949,907	- -	- -	949,907	977,797	- -	- -	977,797
Telegraph	417,421	43,124	8,897	469,442	469,941	44,670	10,247	524,858
Mint	70,556	28	6	70,590	185,868	14	3	185,885
TOTAL	1,437,884	43,152	8,903	**1,489,939**	1,633,606	44,684	10,250	**1,688,540**
RECEIPTS BY CIVIL DEPARTMENTS:								
Law and Justice	677,454	- -	- -	677,454	656,934	- -	- -	656,934
Police	248,005	- -	- -	248,005	227,642	- -	- -	227,642
Marine	237,863	13	2	237,878	222,411	11	2	222,424
Education	189,292	- -	- -	189,292	198,558	- -	- -	198,558
Medical	35,509	3,998	825	40,332	53,841	2,169	498	56,508
Scientific and other Minor Departments	76,469	44,480	9,176	130,125	72,783	2,897	665	76,345
TOTAL	1,464,592	48,491	10,003	**1,523,086**	1,432,169	5,077	1,165	**1,438,411**
MISCELLANEOUS:								
Receipts in aid of Superannuation, &c.	250,300	105,973	21,863	378,136	201,265	103,995	23,856	329,116
Stationery and Printing	57,799	12	2	57,813	57,845	13	3	57,861
Exchange (*a*)	- -	- -	- -	- -	- -	- -	- -	- -
Miscellaneous	380,767	15,471	3,192	399,430	295,799	25,734	5,903	327,436
TOTAL	688,866	121,456	25,057	**835,379**	554,909	129,742	29,762	**714,413**
RAILWAYS:								
State Railways (Gross Earnings) (*b*)	7,266,818	230	48	7,267,096	7,386,177	230	53	7,386,460
Guaranteed Companies (Net Traffic Receipts).	3,615,625	- -	- -	3,615,625	3,582,046	- -	- -	3,582,046
Subsidized Companies (Repayment of Advances of Interest).	- -	2,290	472	2,762	- -	3,680	844	4,524
TOTAL	10,882,443	2,520	520	**10,885,483**	10,968,223	3,910	897	**10,973,030**
IRRIGATION:								
Major Works: Direct Receipts	865,628	171	35	865,834	929,534	1,448	332	931,314
Portion of Land Revenue due to Irrigation.	491,220	- -	- -	491,220	469,081	- -	- -	469,081
Madras Irrigation Company (Net Traffic Receipts).	*—8,834*	- -	- -	*—8,834*	*—5,624*	- -	- -	*—5,624*
Minor Works and Navigation	131,239	- -	- -	131,239	139,057	- -	- -	139,057
TOTAL	1,479,253	171	35	**1,479,459**	1,532,048	1,448	332	**1,533,828**
BUILDINGS AND ROADS:								
Military Works	50,298	- -	- -	50,298	44,306	- -	- -	44,306
Civil Works	530,336	13,636	2,813	546,785	490,307	14,440	3,313	508,060
TOTAL	580,634	13,636	2,813	**597,083**	534,613	14,440	3,313	**552,366**
RECEIPTS BY MILITARY DEPARTMENTS:								
Army; Effective	1,063,738	65,455	13,504	1,142,697	902,077	71,960	16,507	990,544
Non-effective	29,706	2,808	579	33,093	30,289	3,154	724	34,167
Military Operations in Afghanistan.	354,768	2,305,000	475,524	3,135,292	- -	- -	- -	- -
Military Operations in Egypt	- -	- -	- -	- -	84,703	500,000	114,696	699,399
TOTAL	1,448,212	2,373,263	489,607	**4,311,082**	1,017,069	575,114	131,927	**1,724,110**
TOTAL REVENUES £.	72,474,543	2,661,395	549,049	**75,684,987**	69,293,241	801,286	183,810	**70,278,337**

* *Vide* foot-note (*) on page 68.

(*a*) *See* para. 6 of Financial Statement (page 5). (*b*) Includes transactions on account of the East Indian Railway from 1st January 1880.

(*c*) Included under Major Works—Direct Receipts, the undertaking having been purchased by Government in 1882-83.

and in ENGLAND, 1875-76 to 1884-85—*continued.*

in *India*, including those of "Exchange."]

1883-84.				1884-85.				HEADS OF REVENUE.
India.	England.	Exchange.*	TOTAL.	India.	England.	Exchange.*	TOTAL.	
£.	£.	£.	£.	£.	£.	£.	£.	PRINCIPAL HEADS OF REVENUE:
22,361,899	- -	- -	22,361,899	21,832,211	- -	- -	21,832,211	Land Revenue.
9,556,501	- -	- -	9,556,501	8,816,469	- -	- -	8,816,469	Opium.
6,145,413	- -	- -	6,145,413	6,507,236	- -	- -	6,507,236	Salt.
3,513,201	- -	- -	3,513,201	3,606,622	- -	- -	3,606,622	Stamps.
3,836,961	- -	- -	3,836,961	4,011,867	- -	- -	4,011,867	Excise.
2,878,731	- -	- -	2,878,731	2,791,461	- -	- -	2,791,461	Provincial Rates.
1,187,266	- -	- -	1,187,266	1,029,943	- -	- -	1,029,943	Customs.
526,087	- -	- -	526,087	511,828	- -	- -	511,828	Assessed Taxes.
1,049,091	3,109	710	1,052,900	984,786	1,768	430	986,984	Forest.
258,955	- -	- -	258,955	286,784	- -	- -	286,784	Registration.
720,487	- -	- -	720,487	699,017	- -	- -	699,017	Tributes from Native States.
52,034,582	3,109	710	**52,038,401**	51,078,224	1,768	430	**51,080,422**	- - - TOTAL.
819,741	29,722	6,792	**856,255**	667,616	34,912	8,483	**711,011**	INTEREST.
								POST OFFICE, TELEGRAPH, AND MINT:
1,018,743	- -	- -	1,018,743	1,047,130	- -	- -	1,047,130	Post Office.
471,146	45,577	10,415	527,138	541,429	23,430	5,693	570,552	Telegraph.
131,413	35	8	131,456	180,139	20	5	180,164	Mint.
1,621,302	45,612	10,423	**1,677,337**	1,768,698	23,450	5,698	**1,797,846**	- - - TOTAL.
								RECEIPTS BY CIVIL DEPARTMENTS:
573,859	- -	- -	573,859	546,059	- -	- -	546,059	Law and Justice.
311,874	- -	- -	311,874	319,400	- -	- -	319,400	Police.
192,867	- -	- -	192,867	165,974	- -	- -	165,974	Marine.
204,427	- -	- -	204,427	203,291	- -	- -	203,291	Education.
52,558	2,413	552	55,523	50,025	2,461	598	53,084	Medical.
88,603	1,038	237	89,968	84,574	613	149	85,336	Scientific and other Minor Departments.
1,424,278	3,451	789	**1,428,518**	1,369,323	3,074	747	**1,373,144**	- - - TOTAL.
								MISCELLANEOUS:
201,182	101,255	23,138	325,575	199,168	98,021	23,818	321,007	Receipts in aid of Superannuation, &c.
50,595	- -	- -	50,595	47,541	- -	- -	47,541	Stationery and Printing.
60,817	- -	- -	60,817	12,383	- -	- -	12,383	Exchange. (*a*)
305,228	4,881	1,115	311,224	331,687	9,064	2,203	342,954	Miscellaneous.
617,822	106,136	24,253	**748,211**	590,779	107,085	26,021	**723,885**	- - - TOTAL.
								RAILWAYS:
8,268,482	230	53	8,268,765	8,418,927	230	56	8,419,213	State Railways (Gross Traffic Receipts). (*b*)
3,688,143	- -	- -	3,688,143	3,478,300	- -	- -	3,478,300	Guaranteed Companies (Net Traffic Receipts).
- -	2,645	604	3,249	- -	497	121	618	Subsidized Companies (Repayment of Advances of Interest).
11,956,625	2,875	657	**11,960,157**	11,897,227	727	177	**11,898,131**	- - - TOTAL.
								IRRIGATION:
936,581	- -	- -	936,581	1,075,131	- -	- -	1,075,131	Major Works: Direct Receipts.
534,126	- -	- -	534,126	465,817	- -	- -	465,817	Portion of Land Revenue due to Irrigation.
(*c*)	- -	- -	(*c*)	(*c*)	- -	- -	(*c*)	*Madras Irrigation Company (Net Traffic Receipts).*
141,872	- -	- -	141,872	135,027	- -	- -	135,027	Minor Works and Navigation.
1,612,579	- -	- -	**1,612,579**	1,675,975	- -	- -	**1,675,975**	- - - TOTAL.
								BUILDINGS AND ROADS:
44,062	- -	- -	44,062	40,415	- -	- -	40,415	Military Works.
487,688	16,575	3,788	508,051	552,036	18,219	4,427	574,682	Civil Works.
531,750	16,575	3,788	**552,113**	592,451	18,219	4,427	**615,097**	- - - TOTAL.
								RECEIPTS BY MILITARY DEPARTMENTS:
823,743	49,102	11,220	884,065	687,670	64,436	15,657	767,763	Army: Effective.
76,323	3,356	767	80,446	43,326	3,283	798	47,407	Non-effective.
- -	- -	- -	- -	- -	- -	- -	- -	*Military Operations in Afghanistan.*
3,708	- -	- -	3,708	- -	- -	- -	- -	*Military Operations in India.*
903,774	52,458	11,987	**968,219**	730,996	67,719	16,455	**815,170**	- - - TOTAL.
71,522,453	259,938	59,399	**71,841,790**	70,371,289	256,954	62,438	**70,690,681**	- - - TOTAL REVENUES.

ACCOUNT of the EXPENDITURE chargeable on the REVENUES of INDIA,

[£. 1 is recorded for every 10 rupees, in respect of Transactions

HEADS OF EXPENDITURE.	1875-76.				1876-77.	
	India.	England.	Exchange.†	TOTAL.	England.	India.
	£.	£.	£.	£.	£.	£.
DIRECT DEMANDS ON THE REVENUES:						
Refunds and Drawbacks	302,696	- -	- -	302,696	251,061	- -
Assignments and Compensations	903,524	- -	- -	903,524	878,983	- -
Charges in respect of Collection, viz.:						
Land Revenue	2,946,601	4,284	470	2,951,355	2,896,155	2,492
Opium (including cost of Production)	2,217,851	714	78	2,218,643	2,841,644	3
Salt (including cost of Production)	508,381	280	31	508,692	485,936	3,051
Stamps	71,166	35,270	3,873	110,309	71,136	25,130
Excise	87,226	- -	- -	87,226	91,345	64
Provincial Rates	52,735	- -	- -	52,735	52,130	- -
Customs	187,551	144	16	187,711	202,163	11
Assessed Taxes	10	- -	- -	10	919	- -
Forest	417,263	2,548	280	420,091	456,101	1,998
Registration	136,449	- -	- -	136,449	141,458	- -
TOTAL	7,831,453	43,240	4,748	**7,879,441**	8,369,031	32,749
INTEREST:						
Interest on Debt,* other than that charged to Railways and Irrigation Works.	2,044,182	2,160,855	237,263	4,442,300	1,948,549	2,316,963
Interest on other Obligations	386,048	533	59	386,640	394,119	602
TOTAL	2,430,230	2,161,388	237,322	**4,828,940**	2,342,668	2,317,565
POST OFFICE, TELEGRAPH, AND MINT:						
Post Office	838,507	65,127	7,151	910,785	844,143	75,606
Telegraph	407,998	85,162	9,351	502,511	371,446	101,681
Mint	82,276	25,350	2,783	110,409	90,872	39,729
TOTAL	1,328,781	175,639	19,285	**1,523,705**	1,306,461	217,016
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:						
General Administration	1,205,834	233,045	25,588	1,464,467	1,269,407	230,813
Law and Justice	3,100,696	1,471	162	3,102,329	3,172,171	1,574
Police	2,473,340	- -	- -	2,473,340	2,517,708	- -
Marine (including River Navigation)	431,492	148,239	16,277	596,008	519,516	131,458
Education	1,020,570	300	33	1,020,903	1,005,279	610
Ecclesiastical	161,066	1,056	116	162,238	161,097	2,740
Medical	663,498	7,570	831	671,899	661,450	7,611
Political	415,150	15,293	1,679	432,122	490,634	14,684
Scientific and other Minor Departments	358,495	39,537	4,341	402,373	314,017	38,603
TOTAL	9,830,141	446,511	49,027	**10,325,679**	10,111,279	428,093
MISCELLANEOUS CIVIL CHARGES:						
Territorial and Political Pensions	790,864	19,336	2,123	812,323	772,493	21,067
Civil Furlough and Absentee Allowances	768	229,008	25,145	254,921	778	236,171
Superannuation Allowances and Pensions	799,915	1,190,113	130,675	2,120,703	579,109	1,268,742
Stationery and Printing	253,565	208,962	22,944	485,471	260,818	186,823
Exchange (*a*)	57,058	- -	- -	57,058	205,423	- -
Miscellaneous	619,346	27,111	2,977	649,434	389,785	36,273
TOTAL	2,521,516	1,674,530	183,864	**4,379,910**	2,208,406	1,749,076
FAMINE RELIEF AND INSURANCE:						
Famine Relief	601,379	587	64	602,030	2,144,927	504
Construction of Protective Railways	- -	- -	- -	- -	- -	- -
Construction of Protective Irrigation Works	- -	- -	- -	- -	- -	- -
Reduction of Debt	- -	- -	- -	- -	- -	- -
TOTAL	601,379	587	64	**602,030**	2,144,927	504
Carried forward to page 80 £.	24,543,500	4,501,895	494,310	29,539,705	26,482,772	4,745,003

* The "Interest on Debt" is distributed as follows:

Interest on Debt (other than that charged to Railways and Irrigation Works) as above.	2,044,182	2,160,855	237,263	4,442,300	1,948,549	2,316,963
Under Railway Revenue Account	433,534	- -	- -	433,534	559,504	- -
Under Irrigation	539,537	- -	- -	539,537	583,639	- -
TOTAL £.	3,017,253	2,160,855	237,263	5,415,371	3,091,692	2,316,963

† *Vide* foot-note (*) on page 68.

(*a*) *See* para. 6 of Financial Statement (page 5).

in INDIA and in ENGLAND, 1875-76 to 1884-85.

in *India*, including those of "Exchange."]

1876-77.		1877-78.				HEADS OF EXPENDITURE.
Exchange.†	TOTAL.	India.	England.	Exchange.†	TOTAL.	
£.	£.	£.	£.	£.	£.	DIRECT DEMANDS ON THE REVENUES:
- -	251,061	230,521	- -	- -	230,521	Refunds and Drawbacks.
- -	878,983	867,122	- -	- -	867,122	Assignments and Compensations.
						Charges in respect of Collection, viz.:
424	2,899,071	2,939,690	3,367	520	2,943,577	Land Revenue.
- -	2,841,647	2,659,504	1,762	272	2,661,538	Opium (including Cost of Production).
520	489,507	545,363	810	125	546,298	Salt (including Cost of Production).
4,279	100,545	74,213	28,460	4,392	107,065	Stamps.
11	91,420	94,648	4,702	726	100,076	Excise.
- -	52,130	65,762	- -	- -	65,762	Provincial Rates.
2	202,176	207,611	- -	- -	207,611	Customs.
- -	919	692	- -	- -	692	Assessed Taxes.
340	458,439	432,600	7,338	1,132	441,070	Forest.
- -	141,458	149,676	- -	- -	149,676	Registration.
5,576	**8,407,356**	8,267,402	46,439	7,167	**8,321,008**	- - - TOTAL.
						INTEREST:
394,509	4,660,021	1,922,533	2,492,282	384,633	4,799,448	Interest on Debt,* other than that charged to Railways and Irrigation Works.
103	394,824	358,036	716	110	358,862	Interest on other Obligations.
394,612	**5,054,845**	2,280,569	2,492,998	384,743	**5,158,310**	- - - TOTAL.
						POST OFFICE, TELEGRAPH, AND MINT:
12,873	932,622	867,512	96,586	14,906	979,004	Post Office.
17,313	490,440	396,125	72,288	11,156	479,569	Telegraph.
6,765	137,366	105,849	26,234	4,049	136,132	Mint.
36,951	**1,560,428**	1,369,486	195,108	30,111	**1,594,705**	- - - TOTAL.
						SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:
39,300	1,539,520	1,277,524	226,412	34,042	1,538,878	General Administration.
268	3,174,013	3,208,142	430	66	3,208,638	Law and Justice.
- -	2,517,708	2,487,615	- -	- -	2,487,615	Police.
22,383	673,357	390,731	106,091	16,373	513,195	Marine (including River Navigation).
104	1,005,993	1,008,701	391	60	1,009,152	Education.
467	164,304	156,611	1,428	220	158,259	Ecclesiastical.
1,296	670,357	683,759	7,601	1,173	692,533	Medical.
2,500	507,818	389,888	79,184	12,221	481,293	Political.
6,573	359,193	335,381	32,363	4,995	372,739	Scientific and other Minor Departments.
72,891	**10,612,263**	9,938,352	453,900	70,050	**10,462,302**	- - - TOTAL.
						MISCELLANEOUS CIVIL CHARGES:
3,587	797,147	757,904	21,067	3,251	782,222	Territorial and Political Pensions.
40,213	277,162	2,240	236,203	36,453	274,896	Civil Furlough and Absentee Allowances
216,029	2,063,880	629,272	1,299,836	200,603	2,129,711	Superannuation Allowances and Pensions.
31,810	479,451	252,606	178,618	27,566	458,790	Stationery and Printing.
- -	205,423	147,105	- -	- -	147,105	Exchange (*a*).
6,176	432,234	341,857	37,522	5,791	385,170	Miscellaneous.
297,815	**4,255,297**	2,130,984	1,773,246	273,664	**4,177,894**	- - - TOTAL.
						FAMINE RELIEF AND INSURANCE:
86	2,145,517	5,335,300	10,685	1,649	5,347,634	Famine Relief.
- -	- -	- -	- -	- -	- -	Construction of Protective Railways.
- -	- -	- -	- -	- -	- -	Construction of Protective Irrigation Works.
- -	- -	- -	- -	- -	- -	Reduction of Debt.
86	**2,145,517**	5,335,300	10,685	1,649	**5,347,634**	- - - TOTAL.
807,931	32,035,706	29,322,093	4,972,376	767,384	35,061,853	- - - Carried forward to page 81.

						* The "Interest on Debt" is distributed as follows:
394,509	4,660,021	1,922,533	2,492,282	384,633	4,799,448	Interest on Debt (other than that charged to Railways and Irrigation Works) as above.
- -	559,504	703,753	- -	- -	703,753	Under Railway Revenue Account.
- -	583,639	621,822	- -	- -	621,822	Under Irrigation.
394,509	5,803,164	3,248,108	2,492,282	384,633	6,125,023	- - - TOTAL.

ACCOUNT of the EXPENDITURE Chargeable on the REVENUES of INDIA,

[£. 1 is recorded for every 10 rupees, in respect of Transactions

HEADS OF EXPENDITURE.	1878-79. India.	England.	Exchange.†	TOTAL.	1879-80. India.	England.
DIRECT DEMANDS ON THE REVENUES:	£.	£.	£.	£.	£.	£.
Refunds and Drawbacks	250,529	- -	- -	250,529	254,615	- -
Assignments and Compensations	1,032,118	- -	- -	1,032,118	1,142,645	- -
Charges in respect of Collection, viz.:						
Land Revenue	2,958,216	1,794	381	2,960,391	2,936,536	649
Opium (including cost of Production)	1,697,792	938	199	1,698,929	2,067,336	156
Salt (including cost of Production)	404,743	- -	- -	404,743	340,464	223
Stamps	73,807	41,645	8,849	124,301	76,974	37,350
Excise	87,839	- -	- -	87,839	92,038	- -
Provincial Rates	64,431	- -	- -	64,431	47,866	- -
Customs	200,417	- -	- -	200,417	201,280	- -
Assessed Taxes	37,617	- -	- -	37,617	29,886	- -
Forest	451,106	3,828	814	455,748	460,079	4,977
Registration	160,800	- -	- -	160,800	165,203	- -
TOTAL	7,419,415	48,205	10,243	**7,477,863**	7,814,957	43,355
INTEREST:						
Interest on Debt,* other than that charged to Railways and Irrigation Works.	1,872,668	2,593,112	550,985	5,016,765	1,750,635	2,705,976
Interest on other Obligations	382,872	1,125	239	384,236	385,397	427
TOTAL	2,255,540	2,594,237	551,224	**5,401,001**	2,136,032	2,706,403
POST OFFICE, TELEGRAPH, AND MINT:						
Post Office	942,114	91,356	19,411	1,052,881	1,018,122	127,432
Telegraph	443,444	82,477	17,525	543,446	354,290	92,526
Mint	94,607	9,384	1,994	105,985	101,266	8,283
TOTAL	1,480,165	183,217	38,930	**1,702,312**	1,473,678	228,241
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:						
General Administration	1,269,500	233,410	49,595	1,552,505	1,278,509	220,211
Law and Justice	3,334,982	1,095	233	3,336,310	3,319,536	949
Police	2,423,627	- -	- -	2,423,627	2,497,755	- -
Marine (including River Navigation)	404,861	100,245	21,300	526,406	368,275	120,510
Education	983,507	1,154	245	984,906	967,369	264
Ecclesiastical	153,562	1,638	348	155,548	154,912	1,100
Medical	664,110	7,208	1,532	672,850	662,319	7,901
Political	435,858	12,935	2,748	451,541	418,331	12,240
Scientific and other Minor Departments	328,312	28,380	6,030	362,722	329,867	28,393
TOTAL	9,998,319	386,065	82,031	**10,466,415**	9,996,873	391,568
MISCELLANEOUS CIVIL CHARGES:						
Territorial and Political Pensions	760,301	34,065	7,238	801,604	670,300	21,065
Civil Furlough and Absentee Allowances	4,482	228,001	48,446	280,929	5,232	212,919
Superannuation Allowances and Pensions	683,273	1,356,894	288,313	2,328,480	874,511	1,361,182
Stationery and Printing	283,471	172,966	36,752	493,189	314,776	97,293
Exchange (*a*)	225,959	- -	- -	225,959	79,075	- -
Miscellaneous	308,025	25,576	5,434	339,035	369,097	19,496
TOTAL	2,265,511	1,817,502	386,183	**4,469,196**	2,312,991	1,711,955
FAMINE RELIEF AND INSURANCE:						
Famine Relief	312,823	597	127	313,547	103,647	343
Construction of Protective Railways	- -	- -	- -	- -	- -	- -
Construction of Protective Irrigation Works	- -	- -	- -	- -	- -	- -
Reduction of Debt	- -	- -	- -	- -	- -	- -
TOTAL	312,823	597	127	**313,547**	103,647	343
Carried forward to page 82	23,731,773	5,029,823	1,068,738	29,830,334	23,838,178	5,081,865
* The "Interest on Debt" is distributed as follows:—						
Interest on Debt (other than that charged to Railways and Irrigation Works), as above.	1,872,668	2,593,112	550,985	5,016,765	1,750,635	2,705,976
Under Railway Revenue Account	860,675	- -	- -	860,675	1,029,272	34,397
Under Irrigation	656,438	- -	- -	656,438	686,713	- -
TOTAL	3,389,781	2,593,112	550,985	6,533,878	3,466,620	2,740,373

† *Vide* foot-note (*) on page 68.

(*a*) *See* para. 6 of Financial Statement (page 5).

in INDIA and in ENGLAND, 1875-76 to 1884-85—*continued.*

in *India*, including those of "Exchange."]

1879-80.		1880-81.				HEADS OF EXPENDITURE.
Exchange.†	TOTAL.	India.	England.	Exchange.†	TOTAL.	
£.	£.	£.	£.	£.	£.	DIRECT DEMANDS ON THE REVENUES:
- -	254,645	346,240	- -	- -	346,240	Refunds and Drawbacks.
- -	1,142,645	1,215,013	- -	- -	1,215,013	Assignments and Compensations.
						Charges in respect of Collection, viz.:
131	2,937,316	2,982,998	681	138	2,983,817	Land Revenue.
32	2,067,524	2,028,669	88	18	2,028,775	Opium (including cost of Production).
45	340,732	363,536	1	- -	363,537	Salt (including cost of Production).
7,558	121,882	75,863	31,602	6,404	113,869	Stamps.
- -	92,038	95,404	- -	- -	95,404	Excise.
- -	47,866	46,435	- -	- -	46,435	Provincial Rates.
- -	201,280	198,927	- -	- -	198,927	Customs.
- -	29,886	21,237	- -	- -	21,237	Assessed Taxes.
1,007	466,063	461,903	4,068	824	466,800	Forest.
- -	165,208	173,351	- -	- -	173,351	Registration.
8,773	7,867,085	8,009,581	36,440	7,384	8,053,405	- - - TOTAL.
						INTEREST:
547,548	5,004,159	1,403,777	2,341,218	474,402	4,219,397	Interest on Debt,* other than that charged to Railways and Irrigation Works.
86	385,910	413,464	561	114	414,139	Interest on other Obligations.
547,634	5,390,069	1,817,241	2,341,779	474,516	4,633,536	- - - TOTAL.
						POST OFFICE, TELEGRAPH, AND MINT:
25,785	1,171,339	1,069,147	106,358	21,551	1,197,056	Post Office.
18,722	465,538	408,965	87,340	17,698	514,003	Telegraph.
1,676	111,225	89,227	3,391	687	93,305	Mint.
46,183	1,748,102	1,567,339	197,089	39,936	1,804,364	- - - TOTAL.
						SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:
44,559	1,543,279	1,291,483	245,597	49,765	1,583,845	General Administration.
192	3,320,677	3,249,479	266	54	3,249,799	Law and Justice.
- -	2,497,755	2,526,663	- -	- -	2,526,663	Police.
24,385	513,170	399,146	110,766	22,445	532,357	Marine (including River Navigation).
53	967,686	998,751	407	82	999,240	Education.
223	156,235	157,983	655	133	158,771	Ecclesiastical.
1,599	671,819	660,356	7,203	1,460	669,019	Medical.
2,477	433,048	444,896	86,287	17,484	548,667	Political.
5,745	364,005	371 328	29,851	6,049	4 7,228	Scientific and other Minor Departments.
79,233	10,467,674	10,100,085	481,032	97,472	10,678,589	- - - TOTAL.
						MISCELLANEOUS CIVIL CHARGES:
4,262	695,627	658,859	24,901	5,046	688,806	Territorial and Political Pensions.
43,084	261,235	6,217	219,370	44,451	270,038	Civil Furlough and Absentee Allowances.
275,432	2,511,125	779,815	1,411,023	285,916	2,476,754	Superannuation Allowances and Pensions.
19,687	431,756	411,021	69,585	14,100	494,706	Stationery and Printing.
- -	79,075	7,562	- -	- -	7,562	Exchange. (*a*)
3,945	392,538	316,269	30,823	6,246	353,338	Miscellaneous.
346,410	4,371,356	2,179,743	1,755,702	355,759	4,291,204	- - - TOTAL.
						FAMINE RELIEF AND INSURANCE:
69	104,059	32,638	1,831	371	34,840	Famine Relief.
- -	- -	- -	- -	- -	- -	Construction of Protective Railways.
- -	- -	- -	- -	- -	- -	Construction of Protective Irrigation Works.
- -	- -	- -	- -	- -	- -	Reduction of Debt.
69	104,059	32,638	1,831	371	34,840	- - - TOTAL.
1,028,302	29,948,345	23,706 627	4,813,873	975,438	29,495,938	- - - Carried forward to page 83.

* The "Interest on Debt" is distributed as follows:—

547,548	5,004,159	1,403,777	2,341,218	474,402	4,219,397	Interest on Debt (other than that charged to Railways and Irrigation Works), as above.
6,960	1,070,629	1,248,030	343,869	69,678	1,661,577	Under Railway Revenue Account.
- -	686,713	714,046	- -	- -	714,046	Under Irrigation.
554,508	6,761,501	3,365 853	2,685,087	544,080	6,595,0 .0	- - - TOTAL.

ACCOUNT of the EXPENDITURE Chargeable on the REVENUES of INDIA,

[£. 1 is recorded for every 10 rupees, in respect of Transactions

HEADS OF EXPENDITURE.	1881-82.				1882-83.			
	India.	England.	Exchange.†	TOTAL.	India.	England.	Exchange.†	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.
DIRECT DEMANDS ON THE REVENUES:								
Refunds and Drawbacks	272,370	- -	- -	272,370	316,606	- -	- -	316,606
Assignments and Compensations	1,194,440	- -	- -	1,194,440	1,195,087	- -	- -	1,195,087
Charges in respect of Collection, viz.:								
Land Revenue	3,003,251	541	112	3,003,904	3,042,032	459	105	3,042,596
Opium (including cost of Production)	2,056,273	1,062	219	2,057,554	2,281,231	1,585	364	2,283,180
Salt (including cost of Production)	486,209	- -	- -	486,209	449,030	- -	- -	449,030
Stamps	77,761	32,862	6,780	117,403	78,503	44,895	10,299	133,697
Excise	96,883	3	- -	96,886	94,431	- -	- -	94,431
Provincial Rates	53,226	- -	- -	53,226	53,455	- -	- -	53,455
Customs	195,093	17	3	195,113	154,982	- -	- -	154,982
Assessed Taxes	13,074	- -	- -	13,074	12,853	- -	- -	12,853
Forest	552,357	5,288	1,091	558,736	561,993	5,325	1,221	568,539
Registration	179,401	- -	- -	179,401	184,501	- -	- -	184,501
TOTAL	8,180,338	39,773	8,205	**8,228,316**	8,424,704	52,264	11,989	**8,488,957**
INTEREST:								
Interest on Debt,* other than that charged to Railways and Irrigation Works.	1,294,530	2,512,420	518,315	4,325,265	1,249,187	2,481,147	569,158	4,299,492
Interest on other Obligations	533,278	706	146	534,130	469,832	831	191	470,854
TOTAL	1,827,808	2,513,126	518,461	**4,859,395**	1,719,019	2,481,978	569,349	**4,770,346**
POST OFFICE, TELEGRAPH, AND MINT:								
Post Office	1,051,123	96,812	19,972	1,167,907	1,092,539	101,471	23,277	1,217,287
Telegraph	442,087	85,451	17,629	545,167	478,261	116,314	26,682	621,257
Mint	68,509	19,017	3,923	91,449	83,249	6,031	1,383	90,663
TOTAL	1,561,719	201,280	41,524	**1,804,523**	1,654,049	223,816	51,342	**1,929,207**
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:								
General Administration	1,262,925	231,431	47,744	1,542,100	1,314,046	249,836	57,311	1,621,193
Law and Justice	3,232,515	226	47	3,232,788	3,253,793	1,278	293	3,255,364
Police	2,553,861	- -	- -	2,553,861	2,642,892	- -	- -	2,642,892
Marine (including River Navigation)	425,584	197,814	40,809	664,207	366,392	123,808	28,400	518,600
Education	1,078,161	329	68	1,078,558	1,145,628	342	78	1,146,048
Ecclesiastical	161,694	442	91	162,227	161,161	316	72	161,549
Medical	675,717	7,468	1,541	684,726	685,510	7,362	1,689	694,561
Political	623,514	25,832	5,329	654,675	487,089	26,702	6,125	519,916
Scientific and other Minor Departments	540,400	20,591	4,248	565,239	455,775	26,041	5,974	487,790
TOTAL	10,554,371	484,133	99,877	**11,138,381**	10,512,286	435,685	99,942	**11,047,913**
MISCELLANEOUS CIVIL CHARGES:								
Territorial and Political Pensions	651,063	31,265	6,450	688,778	654,493	31,265	7,172	692,933
Civil Furlough and Absentee Allowances	4,895	217,747	44,921	267,563	920	210,988	48,399	260,307
Superannuation Allowances and Pensions	815,187	1,367,140	282,043	2,464,370	813,625	1,390,146	318,890	2,522,661
Stationery and Printing	447,190	118,694	24,487	590,371	344,985	162,588	37,297	544,870
Exchange (*a*)	91,240	- -	- -	91,240	64,640	- -	- -	64,640
Miscellaneous	347,195	44,156	9,109	400,460	252,867	28,527	6,544	287,938
TOTAL	2,356,770	1,779,002	367,010	**4,502,782**	2,131,533	1,823,514	418,302	**4,373,349**
FAMINE RELIEF AND INSURANCE: §								
Famine Relief	34,684	165	34	34,883	22,103	- -	- -	22,103
Construction of Protective Railways	682,403	- -	- -	682,403	*—133,129*	- -	- -	*—133,129*
Construction of Protective Irrigation Works.	135,449	- -	- -	135,449	263,443	- -	- -	263,443
Reduction of Debt	715,151	- -	- -	715,151	1,343,555	- -	- -	1,343,555
TOTAL	1,567,687	165	34	**1,567,886**	1,495,972	- -	- -	**1,495,972**
Carried forward to page 84	26,048,693	5,017,479	1,035,111	32,101,283	25,937,563	5,017,257	1,150,924	32,105,744
* The "Interest on Debt" is distributed as follows:—								
Interest on Debt (other than that charged to Railways and Irrigation Works), as above.	1,294,530	2,512,420	518,315	4,325,265	1,249,187	2,481,147	569,158	4,299,492
Under Railway Revenue Account	1,461,476	352,852	72,794	1,887,122	1,621,147	348,092	79,850	2,049,089
Under Irrigation	741,863	- -	- -	741,863	815,776	- -	- -	815,776
TOTAL	3,497,869	2,865,272	591,109	6 954,250	3,686,110	2,829,239	649,008	7,164,357

† *Vide* foot-note (*) on p. 68.

(*a*) *See* para. 6 of Financial Statement (page 5).

§ For explanation of excess over 1,500,000 *l.*, *see* para. 39 of Financial Statement (page 21).

in INDIA and in ENGLAND, 1875-76 to 1884-85—*continued.*

in *India*, including those of "Exchange."]

1883-84.				1884-85.				HEADS OF EXPENDITURE.
India.	England.	Exchange.†	TOTAL.	India.	England.	Exchange.†	TOTAL.	
£.	£.	£.	£.	£.	£.	£.	£.	DIRECT DEMANDS ON THE REVENUES:
388,270	- -	- -	388,270	200,836	- -	- -	200,836	Refunds and Drawbacks.
1,238,840	- -	- -	1,238,840	1,275,442	- -	- -	1,275,442	Assignments and Compensations.
								Charges in respect of Collection, viz.:
3,328,887	260	59	3,329,206	3,362,875	412	100	3,363,387	Land Revenue.
1,853,410	1,280	293	1,854,983	2,962,532	3,305	803	2,966,640	Opium (including cost of Production).
442,556	4,085	933	447,574	449,237	73	18	449,328	Salt (including cost of Production).
81,279	27,815	6,356	115,450	84,844	45,528	11,063	141,435	Stamps.
92,359	- -	- -	92,359	103,617	42	10	103,669	Excise.
54,547	- -	- -	54,547	50,660	- -	- -	50,660	Provincial Rates.
139,345	- -	- -	139,345	136,860	- -	- -	136,860	Customs.
13,214	- -	- -	13,214	12,936	- -	- -	12,936	Assessed Taxes.
643,511	5,864	1,340	650,715	674,573	3,881	943	679,397	Forest.
167,091	- -	- -	167,091	178,465	- -	- -	178,465	Registration.
8,443,309	39,304	8,981	**8,491,594**	9,492,877	53,241	12,937	**9,559,055**	- - - TOTAL.
								INTEREST:
1,066,077	2,442,210	558,070	4,066,357	893,245	2,609,687	634,133	4,137,065	Interest on Debt,* other than that charged to Railways and Irrigation Works.
452,112	5,123	1,171	458,406	478,686	2,970	722	482,378	Interest on other Obligations.
1,518,189	2,447,333	559,241	**4,524,763**	1,371,931	2,612,657	634,855	**4,619,443**	- - - TOTAL.
								POST OFFICE, TELEGRAPH, AND MINT:
1,127,094	106,487	24,333	1,258,814	1,125,275	116,798	28,381	1,270,454	Post Office.
513,087	150,430	34,375	697,892	564,041	180,527	43,867	788,435	Telegraph.
75,910	4,428	1,012	81,350	74,183	9,797	2,380	86,360	Mint.
1,716,991	261,345	59,720	**2,038,056**	1,763,499	307,122	74,628	**2,145,249**	- - - TOTAL.
								SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:
1,359,025	239,354	54,695	1,653,074	1,374,909	234,930	57,086	1,666,925	General Administration.
3,238,437	374	85	3,238,896	3,304,631	1,084	263	3,305,978	Law and Justice.
2,761,054	- -	- -	2,761,054	2,832,725	- -	- -	2,832,725	Police.
392,781	196,787	44,968	634,536	339,737	154,656	37,580	531,973	Marine (including River Navigation).
1,184,049	145	33	1,184,227	1,238,439	280	68	1,238,787	Education.
158,802	310	71	159,183	165,774	512	125	166,411	Ecclesiastical.
709,353	7,472	1,707	718,532	733,927	7,880	1,915	743,722	Medical.
506,624	26,041	5,951	538,616	759,267	31,988	7,773	799,028	Political.
448,534	20,896	4,775	474,205	437,958	15,817	3,843	457,618	Scientific and other Minor Departments.
10,758,659	491,379	112,285	**11,362,323**	11,187,367	447,147	108,653	**11,743,167**	- - - TOTAL.
								MISCELLANEOUS CIVIL CHARGES:
670,476	79,776	18,230	768,482	635,459	28,874	7,016	671,349	Territorial and Political Pensions.
3,431	216,916	49,568	269,915	14,852	198,275	48,179	261,306	Civil Furlough and Absentee Allowances.
789,300	1,416,978	323,794	2,480,072	782,522	1,418,741	344,743	2,546,006	Superannuation Allowances and Pensions.
373,139	112,518	25,712	511,369	383,824	129,608	31,494	544,926	Stationery and Printing.
- -	- -	- -	- -	- -	- -	- -	- -	Exchange. (*a*)
249,872	20,123	4,593	274,593	252,671	31,916	7,755	292,342	Miscellaneous.
2,036,218	1,846,311	421,902	**4,304,431**	2,069,328	1,807,414	439,187	**4,315,929**	- - - TOTAL.
								FAMINE RELIEF AND INSURANCE: §
9,096	89	20	9,205	7,350	- -	- -	7,350	Famine Relief.
649,248	- -	- -	649,248	946,457	- -	- -	946,457	Construction of Protective Railways.
283,191	26	6	283,223	253,046	- -	- -	253,046	Construction of Protective Irrigation Works.
581,137	- -	- -	581,137	341,504	- -	- -	341,504	Reduction of Debt.
1,522,672	115	26	**1,522,813**	1,548,357	- -	- -	**1,548,357**	- - - TOTAL.
996,038	5,085,787	1,162,155	32,243,980	27,433,359	5,227,581	1,270,260	33,931,200	- - - Carried forward to page 85.
								* The "Interest on Debt" is distributed as follows:—
1,066,077	2,442,210	558,070	4,066,357	893,245	2,609,687	634,133	4,137,065	Interest on Debt (other than that charged to Railways and Irrigation Works), as above.
1,784,873	311,593	71,202	2,167,668	1,957,935	353,326	85,855	2,397,116	Under Railway Revenue Account.
893,665	- -	- -	893,665	932,004	- -	- -	932,004	Under Irrigation.
3,744,615	2,753,803	629,272	7,127,690	3,783,184	2,963,013	719,988	7,466,185	- - - TOTAL.

ACCOUNT of the EXPENDITURE Chargeable on the REVENUES of INDIA,

[£.1 is recorded for every 10 rupees, in respect of Transactions

HEADS OF EXPENDITURE.	1875-76. India.	1875-76. England.	1875-76. Exchange.*	1875-76. TOTAL.	1876-77. India.	1876-77. England.
	£.	£.	£.	£.	£.	£.
Brought forward from page 74	24,543,500	4,501,895	494,310	29,539,705	26,482,772	4,745,003
CONSTRUCTION OF RAILWAYS (charged against Revenue, in addition to that under Famine Insurance).	29,680	- -	- -	**29,680**	38,260	- -
RAILWAY REVENUE ACCOUNT:						
State Railways: Working Expenses	196,234	- -	- -	196,234	200,656	- -
Interest on Debt	433,534	- -	- -	433,534	559,504	- -
Annuities in purchase of Railways.	- -	- -	- -	- -	- -	- -
Interest on Capital deposited by Companies.	- -	- -	- -	- -	- -	- -
Guaranteed Companies: Surplus Profits, Land, and Supervision (*a*)	310,564	- -	- -	310,564	347,661	- -
Interest (*a*)	33,414	4,606,902	505,841	5,146,157	23,737	4,636,768
Subsidized Companies: Land, &c.	- -	- -	- -	- -	- -	- -
Advances of Interest	- -	- -	- -	- -	- -	- -
Miscellaneous Railway Expenditure	46,778	- -	- -	46,778	*—6,819*	- -
TOTAL	1,020,524	4,606,902	505,841	**6,133,267**	1,214,739	4,636,768
IRRIGATION:						
Major Works: Working Expenses	350,758	- -	- -	350,758	363,356	- -
Interest on Debt	539,537	- -	- -	539,537	583,639	- -
Madras Irrigation Company (*b*)	520	49,984	5,488	55,992	500	49,983
Minor Works and Navigation	775,581	214	24	775,819	614,984	168
TOTAL	1,666,396	50,198	5,512	**1,722,106**	1,562,479	50,151
BUILDINGS AND ROADS:						
Military Works	1,337,738	- -	- -	1,337,738	1,202,322	- -
Civil Works	3,241,388	94,435	10,369	3,346,192	3,252,462	90,920
TOTAL	4,579,126	94,435	10,369	**4,683,930**	4,454,784	90,920
ARMY SERVICES:						
Army: Effective	11,061,518	2,124,721	233,296	13,419,535	11,204,086	2,259,759
Non-Effective	663,746	1,458,475	160,141	2,282,362	643,105	1,685,162
Military Operations in Afghanistan	- -	- -	- -	- -	- -	- -
" " *Egypt*	- -	- -	- -	- -	- -	- -
TOTAL	11,725,264	3,583,196	393,437	**15,701,897**	11,847,191	3,944,921
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	43,564,490	12,836,626	1,409,469	57,810,585	45,600,225	13,467,763
Add—Portion of Allotments to Provincial Governments not spent by them in the year.	10,065	- -	- -	*—434,681*	238,962	- -
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances.	*—444,746*				*—364,022*	
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	43,129,809	12,836,626	1,409,469	**57,375,904**	45,475,165	13,467,763
EXPENDITURE NOT CHARGED TO REVENUE:						
Capital outlay on Public Works:						
State Railways	2,420,110	743,639	81,652	3,245,401	2,247,076	616,118
Irrigation Works	1,101,546	4,269	469	1,106,284	940,319	3,096
Madras Irrigation and Canal Company's Undertaking: Purchase of.	- -	- -	- -	- -	- -	- -
Miscellaneous Public Improvements	- -	- -	- -	- -	- -	- -
Total	3,521,656	747,908	82,121	**4,351,685**	3,187,395	619,214
Capital Charge involved in Redemption of Liabilities.	- -	- -	- -	- -	- -	- -

* *Vide* foot-note (*) on page 68. (*a*) Includes transactions on account of the East Indian Railway up to 31st December 1879.

(*b*) The figures against this head in the columns headed "India" and "England" represent charges for Land and Supervision, and Interest, respectively.

in INDIA and in ENGLAND, 1875-76 to 1884-85—*continued.*

in *India*, including those of "Exchange."]

1876-77.		1877-78.				HEADS OF EXPENDITURE.
Exchange.*	TOTAL.	India.	England.	Exchange.*	TOTAL.	
£. 807,931	£. 32,035,706	£. 29,322,093	£. 4,972,376	£. 767,384	£. 35,061,853	- - - Brought forward from page 75.
- -	38,260	50,896	- -	- -	50,896	CONSTRUCTION OF RAILWAYS (Charged against Revenue, in addition to that under Famine Insurance).
						RAILWAY REVENUE ACCOUNT:
- -	290,656	429,734	- -	- -	429,734	State Railways: Working Expenses (*a*).
- -	559,504	703,753	- -	- -	703,753	Interest on Debt (*a*).
- -	- -	- -	- -	- -	- -	Annuities in purchase of Railways.
- -	- -	- -	- -	- -	- -	Interest on Capital deposited by Companies.
- -	347,661	866,029	- -	- -	866,029	Guaranteed Companies: Surplus Profits, Land, &c. (*b*).
789,502	5,450,007	21,354	4,635,491	715,393	5,372,238	Interest (*b*).
- -	- -	- -	- -	- -	- -	Subsidized Companies: Land, &c.
- -	- -	- -	- -	- -	- -	Advances of Interest.
- -	—6,819	22,126	- -	- -	22,126	Miscellaneous Railway Expenditure.
789,502	6,641,009	2,042,996	4,635,491	715,393	7,393,880	- - - TOTAL.
						IRRIGATION:
- -	363,356	370,721	126	19	370,866	Major Works: Working Expenses.
- -	583,639	621,822	- -	- -	621,822	Interest on Debt.
8,511	58,994	352	49,983	7,714	58,049	*Madras Irrigation Company* (*c*).
29	615,181	757,759	- -	- -	757,759	Minor Works and Navigation.
8,540	1,621,170	1,750,654	50,109	7,733	1,808,496	- - - TOTAL.
						BUILDINGS AND ROADS:
- -	1,202,322	1,153,933	- -	- -	1,153,933	Military Works.
15,481	3,358,863	2,985,620	96,642	14,915	3,097,177	Civil Works.
15,481	4,561,185	4,139,553	96,642	14,915	4,251,110	- - - TOTAL.
						ARMY SERVICES:
384,769	13,848,614	11,710,983	2,300,719	355,069	14,366,771	Army: Effective.
286,932	2,615,199	647,528	1,980,531	305,654	2,933,713	Non-Effective.
- -	- -	- -	- -	- -	- -	*Military Operations in Afghanistan.*
- -	- -	- -	- -	- -	- -	*„ „ Egypt.*
671,701	16,463,813	12,358,511	4,281,250	660,723	17,300,484	- - - TOTAL.
2,293,155	61,361,143	49,664,703	14,035,868	2,166,148	65,866,719	TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL:
- -	—125,060	393,458	- -	- -	367,802	*Add*—Portion of Allotments to Provincial Governments not spent by them in the year.
		—25,656				*Deduct*—Portion of Provincial Expenditure defrayed from Provincial Balances.
2,293,155	61,236,083	50,032,505	14,035,868	2,166,148	66,234,521	TOTAL EXPENDITURE CHARGED AGAINST REVENUE:
						EXPENDITURE NOT CHARGED TO REVENUE:
						Capital outlay on Public Works:
104,906	2,968,100	2,834,679	1,146,549	176,946	4,158,174	State Railways.
527	943,942	805,810	274	43	806,127	Irrigation Works.
- -	- -	- -	-	- -	- -	*Madras Irrigation and Canal Company's Undertaking: Purchase of.*
- -	- -	- -	- -	- -	- -	*Miscellaneous Public Improvements.*
105,433	3,912,042	3,640,489	1,146,823	176,989	4,964,301	- - - Total.
- -	- -	- -	- -	- -	- -	Capital Charge involved in Redemption of Liabilities.

ACCOUNT of the EXPENDITURE Chargeable on the REVENUES of INDIA,

[£. 1 is recorded for every 10 rupees, in respect of Transactions

HEADS OF EXPENDITURE.	1878-79.				1879-80 -	
	India.	England.	Exchange.*	TOTAL.	India.	England.
	£.	£.	£.	£.	£.	£.
Brought forward from page 76 - - -	23,731,773	5,029,823	1,068,738	29,830,334	23,838,178	5,081,865
CONSTRUCTION OF RAILWAYS (Charged against Revenue, in addition to that under Famine Insurance).	171,782	- -	- -	171,782	1,548,848	244,426
RAILWAY REVENUE ACCOUNT:						
State Railways: Working Expenses (*a*) - -	747,748	- -	- -	747,748	1,450,072	- -
Interest on Debt (*a*) - - -	860,675	- -	- -	860,675	1,029,272	34,397
Annuities in Purchase of Railways.	- -	- -	- -	- -	- -	- -
Interest on Capital deposited by Companies.	- -	- -	- -	- -	- -	- -
Guaranteed Companies: Surplus Profits, Land, and Supervision (*b*).	971,563	- -	- -	971,563	711,223	- -
Interest (*b*) - - -	17,243	4,689,276	996,379	5,702,898	13,861	4,702,479
Subsidized Companies: Land, &c. - - -	- -	- -	- -	- -	- -	- -
Advances of Interest -	- -	- -	- -	- -	- -	- -
Miscellaneous Railway Expenditure - - -	48,423	- -	- -	48,423	19,683	- -
TOTAL - - -	2,645,652	4,689,276	996,379	8,331,307	3,224,111	4,736,876
IRRIGATION:						
Major Works: Working Expenses - - -	381,422	128	27	381,577	414,475	126
Interest on Debt - - - -	656,438	- -	- -	656,438	686,713	- -
Madras Irrigation Company - - - -	585	49,983	10,620	61,188	472	49,983
Minor Works and Navigation - - - -	629,484	1,611	343	631,438	667,830	1,092
TOTAL - - -	1,667,929	51,722	10,990	1,730,641	1,769,490	51,201
BUILDINGS AND ROADS:						
Military Works - - - - - - - -	1,190,593	- -	- -	1,190,593	966,307	- -
Civil Works - - - - - - - -	3,032,811	97,540	20,725	3,151,076	2,790,735	140,045
TOTAL - - -	4,223,404	97,540	20,725	4,341,669	3,757,042	140,045
ARMY SERVICES:						
Army: Effective - - - - - - - -	11,819,486	1,970,707	418,737	14,208,930	12,091,466	1,998,620
Non-Effective - - - - - - -	689,797	1,936,118	411,387	3,037,302	690,329	2,115,824
Military Operations in Afghanistan -	600,270	76,110	16,172	692,552	4,642,143	174,480
„ „ *Egypt* - - -	- -	- -	- -	- -	- -	- -
TOTAL - - -	13,109,553	3,982,935	846,296	17,938,784	17,423,938	4,288,924
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	45,550,093	13,851,296	2,943,128	62,344,517	51,561,607	14,543,337
Add—Portion of Allotments to Provincial Governments not spent by them in the year.	716,378	- -	- -	715,405	633,077	- -
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances.	—973				—19,778	
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - - - - - - - -	46,265,498	13,851,296	2,943,128	63,059,922	52,174,906	14,543,337
EXPENDITURE NOT CHARGED TO REVENUE:						
Capital Outlay on Public Works:						
State Railways - - - - - - -	2,636,605	683,406	145,210	3,465,221	2,284,244	537,749
Irrigation Works - - - - - - -	784,950	9,463	2,011	796,424	594,276	3,206
Madras Irrigation and Canal Company's Undertaking: Purchase of.	- -	- -	- -	- -	- -	- -
Miscellaneous Public Improvements - -	259,356	- -	- -	259,356	85,000	- -
Total - - -	3,680,911	692,869	147,221	4,521,001	2,963,520	540,955
Capital Charge involved in Redemption of Liabilities.	- -	- - -	- -	- -	10,675	9,565,939

* *Vide* foot-note (*) on page 68. (*a*) Includes transactions on account of the East Indian Railway, from 1st January 1880.
(*b*) Includes transactions on account of the East Indian Railway up to 31st December 1879.

in INDIA and in ENGLAND, 1875-76 to 1884-85—*continued*.

in *India*, including those of "Exchange."]

1879-80.		1880-81.				HEADS OF EXPENDITURE.
Exchange.*	TOTAL.	India.	England.	Exchange.*	TOTAL.	
£.	£.	£.	£.	£.	£.	
1,028,302	29,948,345	23,706,627	4,813,873	975,438	**29,495,938**	- - - Brought forward from page 77.
49,459	**1,842,733**	1,638,190	694,697	140,767	**2,473,654**	CONSTRUCTION OF RAILWAYS (Charged against Revenue, in addition to that under Famine Insurance).
- -	1,450,072	3,228,260	- -	- -	3,228,260	RAILWAY REVENUE ACCOUNT: State Railways: Working Expenses (*a*).
6,960	1,070,629	1,248,030	343,869	69,678	1,661,577	Interest on Debt (*a*).
- -	- -	- -	993,298	201,273	1,194,571	Annuities in purchase of Railways.
- -	- -	- -	- -	- -	- -	Interest on Capital deposited by Companies.
- -	711,223	415,858	- -	- -	415,858	Guaranteed Companies: Surplus Profits, Land, and Supervision (*b*).
951,535	5,667,875	7,447	3,254,504	659,461	3,921,412	Interest (*b*).
- -	- -	- -	- -	- -	- -	Subsidized Companies: Land, &c.
- -	- -	- -	- -	- -	- -	Advances of Interest.
- -	19,683	57,708	- -	- -	57,708	Miscellaneous Railway Expenditure.
958,495	**8,919,482**	4,957,303	4,591,671	930,412	**10,479,386**	- - - TOTAL.
25	414,626	425.347	126	26	425,499	IRRIGATION: Major Works: Working Expenses.
- -	686,713	714,046	- -	- -	714,046	Interest on Debt.
10,114	60,569	555	49,983	10,128	60,666	*Madras Irrigation Company.*
221	669,143	703,817	5,286	1,071	710,174	Minor Works and Navigation.
10,360	**1,831,051**	1,843,765	55,395	11,225	**1,910,385**	- - - TOTAL.
- -	966,307	969,168	- -	- -	969,168	BUILDINGS AND ROADS: Military Works.
28,338	2,959,118	3,256,386	88,249	17,882	3,362,517	Civil Works.
28,338	**3,925,425**	4,225,554	88,249	17,882	**4,331,685**	- - - TOTAL.
404,416	14,494,502	11,911,315	2,039,610	413,287	14,364,212	ARMY SERVICES: Army: Effective.
428,132	3,234,285	702,153	2,064,928	418,417	3,185,498	Non-Effective.
35,305	4,851,928	11,297,926	70,563	14,298	11,382,787	*Military Operations in Afghanistan.*
- -	- -	- -	- -	- -	- -	" " *Egypt.*
867,853	**22,580,715**	23,911,394	4,175,101	846,002	**28,932,497**	- - - TOTAL.
2,942,807	69,047,751	60,282,833	14,418,986	2,921,726	77,623,545	TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL:
- -	613,299	336,686 / — *38,725*	- -	- -	297,961	*Add*—Portion of Allotments to Provincial Governments not spent by them in the year. *Deduct*—Portion of Provincial Expenditure defrayed from Provincial Balances.
2,942,807	**69,661,050**	60,580,794	14,418,986	2,921,726	**77,921,506**	TOTAL EXPENDITURE CHARGED AGAINST REVENUE.
108,812	2,930,805	2,370,319	570,678	115,637	3,056,634	EXPENDITURE NOT CHARGED TO REVENUE: Capital Outlay on Public Works:
649	598,131	614,070	- -	- -	614,070	State Railways: Construction.
- -	- -	- -	- -	- -	- -	Irrigation Works.
- -	85,000	70,000	- -	- -	70,000	*Madras Irrigation and Canal Company's Undertaking: Purchase of.*
						Miscellaneous Public Improvements.
109,461	**3,613,936**	3,054,389	570,678	115,637	**3,740,704**	- - - Total.
- -	9,576,614	- -	- -	- -	- -	Capital Charge involved in Redemption of Liabilities,

ACCOUNT of the EXPENDITURE Chargeable on the REVENUES of INDIA,

[£. 1 is recorded for every 10 rupees, in respect of Transactions

HEADS OF EXPENDITURE.	1881-82.				1882-83.			
	India.	England.	Exchange.*	TOTAL.	India.	England.	Exchange.*	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.
Brought forward from page 78 - - -	26,048,693	5,017,479	1,035,111	32,101,283	25,937,563	5,017,257	1,150,924	32,105,744
CONSTRUCTION OF RAILWAYS (Charged against Revenue, in addition to that under Famine Insurance).	74,175	363,491	74,989	**512,655**	384,659	78,302	17,962	**480,923**
RAILWAY REVENUE ACCOUNT:								
State Railways: Working Expenses (*a*)	3,365,144	- -	- -	3,365,144	3,768,314	- -	- -	3,768,314
Interest on Debt (*a*) -	1,461,476	352,852	72,794	1,887,122	1,621,147	348,092	79,850	2,049,089
Annuities in purchase of Railways.	- -	1,239,446	255,699	1,495,145	- -	1,216,735	279,111	1,495,846
Interest on Capital deposited by Companies.	- -	- -	- -	- -	32,950	- -	- -	32,950
Guaranteed Companies: Surplus Profits, Land, and Supervision.	408,076	- -	- -	408,076	558,772	- -	- -	558,772
Interest - -	6,958	3,264,813	673,535	3,945,306	8,038	3,309,834	759,253	4,077,125
Subsidized Companies: Land, &c. - -	13,226	- -	- -	13,226	25,992	- -	- -	25,992
Advances of Interest	- -	4,301	887	5,188	- -	13,071	3,136	16,807
Miscellaneous Railway Expenditure - -	51,860	- -	- -	51,860	253,995	- -	- -	253,995
TOTAL - - -	5,306,740	4,861,412	1,002,915	**11,171,067**	6,269,208	4,888,332	1,121,350	**12,278,890**
IRRIGATION:								
Major Works: Working Expenses -	455,442	193	40	455,675	501,730	206	47	501,983
Interest on Debt - -	741,863	- -	- -	741,863	815,776	- -	- -	815,776
Madras Irrigation Company - -	513	49,983	10,312	60,808	75	24,903	5,713	30,691
Minor Works and Navigation - -	789,984	22	4	790,010	899,888	1,234	283	901,405
TOTAL - - -	1,987,802	50,198	10,356	**2,048,356**	2,217,469	26,343	6,043	**2,249,855**
BUILDINGS AND ROADS:								
Military Works - - - - -	1,070,546	- -	- -	1,070,546	962,547	1,771	406	964,724
Civil Works - - - - - -	3,861,500	96,018	19,809	3,977,327	4,265,454	82,238	18,865	4,366,557
TOTAL - - -	4,932,046	96,018	19,809	**5,047,873**	5,228,001	84,009	19,271	**5,331,281**
ARMY SERVICES:								
Army: Effective - - - - -	12,485,317	1,765,548	364,234	14,615,099	11,436,355	1,668,474	382,737	13,487,566
Non-Effective - - - -	733,416	2,231,934	460,451	3,425,801	802,865	2,230,734	511,715	3,545,314
Military Operations in Afghanistan -	1,631,924	13,003	2,683	1,647,610	17,869	- -	- -	17,869
" " *Egypt* - -	- -	- -	- -	- -	1,176,142	107,811	24,731	1,308,684
TOTAL - - -	14,850,657	4,010,485	827,368	**19,688,510**	13,433,231	4,007,019	919,183	**18,359,433**
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL:	53,200,113	14,399,083	2,970,548	70,569,744	53,470,131	14,101,262	3,234,733	70,806,126
Add—Portion of Allotments to Provincial Governments not spent by them in the year.	1,521,019	- -	- -	1,519,792	112,171	- -	- -	*—1,202,626*
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances.	*—1,227*				*—1,314,797*			
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - - - - - - -	54,719,905	14,399,083	2,970,548	**72,089,536**	52,267,505	14,101,262	3,234,733	**69,603,500**
EXPENDITURE NOT CHARGED TO REVENUE:								
Capital Outlay on Public Works:								
State Railways - - - - -	1,620,227	439,325	90,633	2,150,185	1,427,752	370,114	84,901	1,882,767
Irrigation Works - - - - -	565,428	- -	- -	565,428	561,643	- -	- -	561,643
Madras Irrigation and Canal Company's Undertaking: Purchase of.	- -	- -	- -	- -	- -	1,762,582	404,324	2,166,906
Miscellaneous Public Improvements -	68,906	- -	- -	68,906	49,808	- -	- -	49,808
Total - - -	2,254,561	439,325	90,633	**2,784,519**	2,039,203	2,132,696	489,225	**4,661,124**
Capital Charge involved in Redemption of Liabilities.	- -	586,300	- -	586,300	- -	480,333	- -	480,333

(*) *Vide* foot-note (*) on page 68. (*a*) Includes transactions on account of the East Indian Railway from 1st January 1880.
(*b*) Included under Major Works, the undertaking having been purchased by the Government in 1882–83.

Fort William,
Department of Finance and Commerce,
24 March 1886.

E. W. Kellner,
Deputy Comptroller General.

in INDIA and in ENGLAND, 1875-76 to 1884-85—*continued.*

in *India*, including those of "Exchange."]

1883-84.				1884-85.				HEADS OF EXPENDITURE.
India.	England.	Exchange.*	TOTAL.	India.	England.	Exchange.*	TOTAL.	
£.	£.	£.	£.	£.	£.	£.	£.	
25,996,038	5,085,787	1,162,155	32,243,980	27,433,359	5,227,581	1,270,260	33,931,200	- - - Brought forward from page 79.
—176,414	97	22	—176,295	263,501	- -	- -	263,501	CONSTRUCTION OF RAILWAYS (Charged against Revenue in addition to that under Famine Insurance).
								RAILWAY REVENUE ACCOUNT:
3,890,122	- -	- -	3,890,122	4,212,896	- -	- -	4,212,896	State Railways: Working Expenses (*a*).
1,784,873	311,593	71,202	2,167,668	1,957,935	353,326	85,855	2,397,116	Interest on Debt (*a*).
- -	1,203,118	274,925	1,478,043	- -	1,220,582	296,592	1,517,174	Annuities in purchase of Railways.
85,396	- -	- -	85,396	118,170	- -	- -	118,170	Interest on Capital deposited by Companies.
637,272	- -	- -	637,272	492,952	- -	- -	492,952	Guaranteed Companies: Surplus Profits, Land, &c.
12,521	3,264,241	750,484	4,027,246	29,651	3,217,240	781,763	4,028,654	Interest.
54,573	- -	- -	54,573	39,551	- -	- -	39,551	Subsidized Companies: Land, &c.
- -	27,801	6,353	34,154	- -	36,395	8,844	45,239	Advances of Interest.
—129,405	- -	- -	—129,405	97,554	- -	- -	97,554	Miscellaneous Railway Expenditure.
6,335,352	4,826,753	1,102,964	12,265,069	6,948,709	4,827,543	1,173,054	12,949,306	- - - TOTAL.
								IRRIGATION:
514,794	43	10	514,847	571,780	- -	- -	571,780	Major Works: Working Expenses.
893,665	- -	- -	893,665	932,004	- -	- -	932,004	Interest on Debt.
- -	- -	- -	(*b*)	- -	- -	- -	(*b*)	*Madras Irrigation Company.*
749,313	1,591	363	751,267	745,119	65	16	745,200	Minor Works and Navigation.
2,157,772	1,634	373	2,159,779	2,248,903	65	16	2,248,984	- - - TOTAL.
								BUILDINGS AND ROADS:
1,012,303	5,825	1,331	1,019,459	943,344	5,071	1,232	949,647	Military Works.
4,685,023	86,515	19,770	4,791,308	3,977,220	66,300	16,110	4,059,630	Civil Works.
5,697,326	92,340	21,101	5,810,767	4,920,564	71,371	17,342	5,009,277	- - - TOTAL.
								ARMY SERVICES:
11,082,280	1,680,654	384,047	13,146,981	11,201,832	1,614,138	392,222	13,208,192	Army: Effective.
822,012	3,336,768	762,487	4,921,267	821,797	2,360,284	573,530	3,755,611	Non-Effective.
- -	- -	- -	- -	- -	- -	- -	- -	*Military Operations in Afghanistan.*
47,874	6,162	1,408	55,444	- -	- -	- -	- -	" " *Egypt.*
11,952,166	5,023,584	1,147,942	18,123,692	12,023,629	3,974,422	965,752	16,963,803	- - - TOTAL.
51,962,240	15,030,195	3,434,557	70,426,992	53,838,665	14,100,982	3,426,424	71,366,071	TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL.
123,501	- -	- -	—464,679	73,840	- -	- -	—288,944	*Add*—Portion of Allotments to Provincial Governments not spent by them in the year.
—588,180				—962,784				*Deduct*—Portion of Provincial Expenditure defrayed from Provincial Balances.
51,497,561	15,030,195	3,434,557	69,962,313	53,549,721	14,100,982	3,426,424	71,077,127	TOTAL EXPENDITURE CHARGED AGAINST REVENUE.
								EXPENDITURE NOT CHARGED TO REVENUE:
								Capital Outlay on Public Works:
2,434,281	769,728	175,891	3,379,900	2,186,573	1,077,705	261,874	3,526,152	State Railways.
701,037	8,573	1,959	711,569	694,920	4,458	1,083	700,461	Irrigation Works.
- -	12,785	2,921	15,706	- -	- -	- -	- -	*Madras Irrigation and Canal Company's Undertaking: Purchase of.*
—533,070	- -	- -	—533,070	- -	- -	- -	- -	*Miscellaneous Public Improvements.*
2,602,248	791,086	180,771	3,574,105	2,881,493	1,082,163	262,957	4,226,613	- - - Total.
- -	566,261	- -	566,261	- -	1,314,746	- -	1,314,746	Capital Charge involved in Redemption of Liabilities.

E. Gay,
Officiating Comptroller General.

D. Barbour,
Secretary to the Government of India.

APPENDIX IV.

TABLE I.—MISCELLANEOUS STATISTICS.

	1877-78.	1878-79.	1879-80.	
	£.	£.	£.	
Deficit of recorded Revenue compared with whole recorded Expenditure.	8,334,139	2,337,507	4,547,279	1
Capital Expenditure on Public Works not charged against Revenue.	4,791,052	4,381,898	3,364,330	2
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:				
Surplus		2,044,391		3
Deficit	3,543,087		1,182,949	4
Net Public Debt incurred	7,345,416	4,199,268	* 5,105,160	5
Net Public Debt incurred, including capital transactions with Guaranteed Railway and other Companies and Native States, &c.	6,496,200	3,209,100	5,756,708	6
Value of commodities exported, excluding Gold and Silver	65,222,000	60,937,000	67,212,000	7
Value of commodities imported, excluding Gold and Silver	41,464,000	37,800,000	41,166,000	8
Excess of Exports over Imports, excluding Gold and Silver	23,758,000	23,137,000	26,046,000	9
Net Imports of Gold	468,000	(Exports)896,000	1,750,000	10
Net Imports of Silver	14,676,000	3,970,000	7,870,000	11
TOTAL Net Imports of Gold and Silver	15,144,000	3,074,000	9,620,000	12
Excess of Exports over Imports, including Gold and Silver	8,614,000	20,063,000	16,426,000	13
Grand Total Value of Imports and Exports of all kinds	126,252,000	109,777,000	122,069,000	14
	Rs.	*Rs.*	*Rs.*	
Secretary of State's Bills sold (rupees)	11,69,85,000	18,78,21,000	18,95,71,000	15
	£.	£.	£.	
Sterling equivalent received	10,134,000	† 15,465,000	‡ 15,749,000	16
Silver coined at the Indian Mints	16,180,000	7,210,770	10,257,093	17
Gold coined in Germany	7,112,000	5,475,340	1,509,877	18
Silver coined in Germany	1,669,000	88,498	—	19
Maximum price of an oz. Troy standard silver in London	55⅝ *d.* (8th Oct.)	54¼ *d.* (2nd April)	53¾ *d.* (Nov.)	20
Minimum - - ditto - - ditto	53½ *d.* (21st June)	48½ *d.* (21st Dec.)	49⅝ *d.* (April)	21
	Rs. a.	*Rs. a.*	*Rs. a.*	
Maximum price of a sovereign in Calcutta	11 14 (5th Sept.)	12 11 (March)	12 11 (May)	22
Minimum - - ditto - - ditto	11 4 (10th April)	11 11 (11th June)	11 15 (Jan.)	23
Average exchange upon Secretary of State's Bills sold per rupee	1*s.* 8·79 *d.*	1*s.* 7·761 *d.*	1*s.* 7·94 *d.*	24
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.	1*s.* 9⅓ *d.*	1*s.* 9 *d.*	1*s.* 7½ *d.*	25
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	12 (May)	9 (1st April)	9 (April)	26
Minimum - - ditto - - ditto	(Dec. and Jan.)	3 (7th Nov.)	3 (Jan.)	27
Maximum rate of discount at the Bank of England	5 (Oct. and Nov.)	6 (Oct. and Nov.)	3 (April to Oct.)	28
Minimum - - ditto - - ditto	2 (subsequently)	2½ (30th May)	2 (Nov. to Feb.)	29
	£.	£.	£.	
Maximum Money Balances of the three Presidency Banks	7,574,900 (Jan.)	6,978,500 (July)	7,733,500 (Feb.)	30
Minimum - - ditto - - ditto	3,672,200 (April)	4,589,300 (Jan.)	4,150,400 (April)	31
Maximum price in Calcutta of Government 4 per cent. Rupee Securities.	98¼ (27th June)	97 (July and Aug.)	95¾ (July)	32
Minimum - - ditto - - ditto	92 (8th Sept.)	91⅞ (March)	91¼ (May)	33
	£.	£.	£.	
Maximum amount outstanding on London Register of Rupee Securities enfaced for interest drafts.	14,588,744	15,950,092 (Feb.)	19,431,239 (Mar.)	34
Minimum - - ditto - - ditto	13,057,964	13,826,493 (Oct.)	15,908,182 (May)	35
Maximum price in London of 4 per cent. Securities (in gold)	84½ (5th April)	81⅜ (1st April)	80¾ (Oct.)	36
Minimum - - ditto - - ditto	81¼ (23rd Jan.)	72 (23rd Oct.)	71½ (May)	37
Maximum price in London of Secretary of State's 4 per cent. sterling Bonds.	104½ (30th Aug.)	104½ (July and Aug.)	105½	38
Minimum - - ditto - - ditto	100½ (21st Mar.)	97 (Oct.)	100⅜	39
	£.	£.	£.	
Maximum Government Paper Currency outstanding	15,757,790 (15th Jan.)	14,584,900 (Sept.)	14,329,700 (Jan.)	40
Minimum - - ditto - - ditto	11,130,528(30thApril)	11,423,600 (March)	11,113,800 (June)	41
Number of Savings Banks	343	338	371	42
Number of Depositors in Savings Banks	83,518	84,503	91,288	43
	£.	£.	£.	
Amount deposited in Savings Banks	1,925,335	1,912,401	2,282,823	44
Average of each deposit	23	22	25	45
Net addition to deposits	10,858 (Decrease)	12,934 (Decrease)	370,422	46
	Frs.	*Frs.*	*Frs.*	
Cash Reserve at the Bank of France in December of each year, in 000's of francs.	2,042,500	2,041,700	1,979,017	47
Silver - - ditto - - ditto	865,400	1,058,100	1,220,501	48
Per-centage of Silver on the Total Reserve	43	52	62	49

* Exclusive of 9,730,862 *l.*, debt incurred for the purchase of the East Indian Railway.
† Includes 1,516,193 *l.*, amount remitted by Bills of Exchange on India.
‡ Includes 486,947 *l.*, Gold Remittances from India.

APPENDIX IV.

TABLE I.—MISCELLANEOUS STATISTICS.

	1880-81.	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.
	£.	£.	£.	£.	£.	£. Revised Estimate.	£. Budget Estimate.
1	7,700,644	728,696	3,943,265	2,604,533	6,247,277	9,856,000	12,145,500
2	3,656,505	3,311,423	4,649,898	3,992,029	5,860,831	6,965,200	12,327,700
3	—	2,582,727	706,633	1,387,496	—	—	182,200
4	4,044,139	—	—	—	386,446	2,890,800	—
5	5,679,815	— 466,636	2,509,150	3,062,953	1,193,924	4,013,300	9,415,400
6	5,339,444	— 773,867	4,105,769	2,219,364	801,966	7,861,900	6,253,400
7	74,581,000	81,968,000	83,485,000	88,176,000	83,255,000	—	—
8	53,117,000	49,113,000	52,096,000	55,279,000	55,703,000	—	—
9	21,464,000	32,855,000	31,389,000	32,897,000	27,552,000	—	—
10	3,655,000	4,844,000	4,931,000	5,463,000	4,672,000	—	—
11	3,893,000	5,379,000	7,480,000	6,405,000	7,246,000	—	—
12	7,548,000	10,223,000	12,411,000	11,868,000	11,918,000	—	—
13	13,916,000	22,632,000	18,978,000	21,029,000	15,634,000	—	
14	138,126,000	143,504,000	150,076,000	157,344,000	154,817,000	—	
15	*Rs.* 18,32,77,000	*Rs.* 22,21,09,350	*Rs.* 18,58,56,593	*Rs.* 21,62,15,462	*Rs.* 17,10,22,119	—	
16	£. 15,239,677	£. § 18,412,429	£. 15,120,521	£. 17,599,805	£. 13,758,909	—	
17	4,249,676	2,186,275	6,508,457	3,663,400	5,794,200	—	
18	—	—	—	—	—	—	
19	—	—	—	—	—	—	
20	52 13/16 (July)	52 1/8	52 7/16 (June)	51 5/16 (Feb.)	51 (April)	50 3/16 (May)	
21	51 (Jan.)	50 7/8 (July)	50 (Dec.)	50 1/16 (May and June).	48 7/8 (Feb.)	46 7/16 (Jan.)	
22	*Rs. a.* 12 6 throughout the year.	*Rs. a. p.* 12 6 4 throughout.	—	—	—	—	
23							
24	1 *s.* 7·956 *d.*	1 *s.* 7·895 *d.*	1 *s.* 7·525 *d.*	1 *s.* 7·536 *d.*	1 *s.* 7·308 *d.*	¶ 1 *s.* 6·27 *d.*	
25	1 *s.* 8 1/2 *d.*	1 *s.* 8 *d.*	1 *s.* 8 *d.*	1 *s.* 7 3/4 *d.*	1 *s.* 7 1/2 *d.*	1 *s.* 7 1/4 *d.*	1 *s.* 6 1/4 *d.*
26	7 (April)	9 (Feb.)	10 (April)	9 (Mar.)	11 (April and May)	9 (May)	
27	3 (Nov. to Jan.)	4 (June)	4 (Sept.)	5	3 (Nov. and Dec.)	4 (From July to Jan.)	
28	3 (April)	6 (Feb.)	5 (Sept.)	4	5 (Nov., Dec. & Jan.)	4 (Dec.)	
29	2 1/2	2 1/2 throughout first half-year.	3 (March)	3	2 (June to Sept.)	2 (May to Nov.)	
30	£. 7,472,500 (Feb.)	£. 6,097,600 (July)	£. 6,712,800 (Oct.)	£. 5,556,700 (Aug.)	£. 5,731,200 (Nov.)	£. 6,486,800 (Dec.)	
31	4,442,700 (March)	3,546,700 (Dec.)	3,424,200 (April)	3,167,100 (Jan.)	2,991,900 (May)	3,638,800 (May)	
32	102 1/2 (March)	106-6 (July)	102-4 (Feb.)	101-1/2 (April)	101-2 (June)	99-14 (July)	
33	93-10 (May)	99-8 (Aug.)	99 (Oct.)	(94-8 Feb.)	94-12 (Mar.)	91-12 (May)	
34	£. 19,739,473 (June)	£. 21,525,400 (Feb.)	£. 21,420,700 (Feb.)	£. 21,405,500 (May)	£. 21,008,000 (May)	£. 20,562,400 (April)	
35	18,719,445 (Jan.)	19,013,600 (April)	21,059,000 (Aug.)	20,626,200 (Aug.)	20,594,300 (Feb.)	19,179,300 (Jan.)	
36	84 1/4 (Feb.)	87 (July)	85 7/16 (May)	81 7/8 (April)	82 1/2 (May)	78 1/2 (July)	
37	78 (May)	82 1/2 (Sept.)	79 1/2 (Dec.)	77 1/4 (Jan.)	74 (Mar.)	71 3/4 (Jan.)	
38	105 3/4 (Jan.)	106 5/8 (July)	105 (Jan.)	103 7/8 (Jan.)	104 1/2 (Aug.)	103 1/2 (Aug.)	
39	101 3/4 (Sept.)	103 3/8 (Sept.)	102 1/4 (Oct.)	101 1/2 (Sept.)	98 (Mar.)	97 1/2 (April)	
40	£. 14,513,100 (Dec.)	£. 14,422,600 (Sept.)	£. 16,412,200 (Dec.)	£. 14,517,800 (Nov.)	£. 15,762,700 (Nov.)	£. 15,806,900 (Oct.)	
41	12,528,400 (April)	12,692,200 (April)	13,534,700 (April)	12,023,300 (Feb.)	12,342,500 (April)	12,984,500 (May)	
42	388	372	349	354	360	—	
43	107,778	114,942	109,349	119,053	120,438	—	
44	£. 3,213,671	£. 3,272,649	£. 3,356,247	£. 3,273,242	£. 3,358,203	—	
45	29	28	30	27	28	—	
46	930,848	58,978	83,598	—83,005	+80,996	—	
47	*Frs.* 1,786,873	*Frs.* 1,817,164	—	—	—	—	
48	1,222,604	1,161,468	—	—	—	—	
49	68	64	—	—	—	—	

§ Includes 85,000 *l.* Hong Kong Bills. ‖ Includes 250,000 *l.* Hong Kong Bills. ¶ To 13th March.

APPENDIX IV.—*continued.*

TABLE II.—SEA-BORNE TRADE for the YEAR. (Principal ARTICLES arranged in Order of their DECLARED VALUE.)

No.	EXPORTS.		1880-81.	1881-82.	1882-83.	1883-84.	1884-85.
1	Cotton—						
	Raw:						
	Quantity	*Cwt.*	4,541,539	5,627,453	6,168,278	5,979,494	5,066,057
	Value	£.	13,241,734	14,935,959	16,049,017	14,383,728	13,286,367
	Average declared value per lb. — *Annas*	-	*As.* 4 2	*As.* 3 9	*As.* 3 9	*As.* 3 5	*As.* 3 9
	Average declared value per lb. — *Pence, at average exchange*	-	5·20	4·66	4·58	4·17	4·53
	Twist and Yarn:						
	Quantity	*Lbs.*	26,901,346	30,786,304	45,378,040	49,876,606	65,897,183
	Value	£.	1,282,576	1,368,836	1,816,818	1,926,162	2,441,101
	Average declared value per lb.	*Annas*	*As.* 7 8	*As.* 7 1	*As.* 6 5	*As.* 6 2	*As.* 5 11
	Other manufactures:						
	Value	£.	626,558	641,680	761,564	927,008	896,929
	Average declared value per yard — Grey or unbleached	*Annas*	*As.* 2 -	*As.* 2 -	*As.* 1 10	*As.* 1 9	*As.* 1 9
	Average declared value per yard — Coloured, printed, or dyed	„	*As.* 4 9	*As.* 5 1	*As.* 4 10	*As.* 4 7	*As.* 4 10
	Percentage of manufactures on whole value exported	-	12·60	11·86	13·84	16·55	20·08
2	Opium:						
	Quantity	*Chests*	92,190	89,338	91,798	91,963	86,578
	Value	£.	13,600,148	12,432,142	11,481,376	11,294,460	10,882,606
	Average declared value per chest, in rupees	*Rupees*	1,475	1,392	1,251	1,228	1,257
3	Seeds:						
	Quantity	*Cwt.*	10,229,109	10,466,098	13,139,206	17,355,588	18,250,688
	Value	£.	6,345,209	6,054,099	7,200,336	10,083,758	10,745,203
	Average declared value of linseed, per cwt. — *Rupees*	-	6 2 8	5 13 7	5 3 10	5 5 10	5 9 10
	Average declared value of linseed, per cwt. — *Shillings, at average exchange*	-	10·26	9·70	8·52	8·73	9·03
4	Rice and Paddy:						
	Quantity	*Cwt.*	27,266,040	28,888,421	31,258,288	27,039,859	22,051,532
	Value	£.	9,057,153	8,308,167	8,476,327	8,362,080	7,192,198
	Average declared value of husked rice, per cwt. — *Rupees*	-	3 5 7	2 14 3	2 11 6	3 1 8	3 4 6
	Average declared value of husked rice, per cwt. — *Shillings, at average exchange*	-	5·57	4·79	4·42	5·05	5·28
5	Wheat:						
	Quantity	*Cwt.*	7,444,375	19,863,520	14,144,407	20,956,495	15,830,754
	Value	£.	3,277,942	8,604,081	6,068,934	8,877,561	6,309,140
	Average declared value per cwt. — *Rupees*	-	4 6 5	4 5 4	4 4 8	4 3 9	3 15 9
	Average declared value per cwt. — *Shillings, at average exchange*	-	7·32	7·18	6·98	6·89	6·41
6	Jute:						
	Raw and manufactured—Value	£.	5,064,701	6,127,891	7,334,757	5,926,780	6,205,238
	Average declared value of raw jute per cwt. — *Rupees*	-	6 12 4	6 11 2	5 10 5	6 8 8	5 9 1
	Average declared value of raw jute per cwt. — *Shillings, at average exchange*	-	11·26	11·11	9·19	10·65	8·96
	Percentage of manufactures on whole value exported	-	22·32	17·91	20·28	22·51	24·88
7	Hides and Skins:						
	Quantity	*No.*	23,395,702	24,796,719	26,594,068	28,153,063	29,164,677
	Value	£.	3,783,565	3,948,792	4,443,770	4,663,736	4,934,340
	Percentage of dressed or manufactured on whole value	-	43·23	48·60	49·97	46·90	42·07
8	Indigo:						
	Quantity	*Cwt.*	116,870	150,363	141,041	168,590	154,629
	Value	£.	3,571,581	4,509,080	3,912,997	4,640,991	4,068,900
	Average declared value per cwt. — *Rupees*	-	305 9 8	299 14 1	277 7 -	275 4 6	263 2 3
	Average declared value per cwt. — *Sterling, at average exchange*	£.	25·41	24·86	22·57	22·40	21·17
9	Tea:						
	Quantity	*Lbs.*	46,413,510	48,091,725	57,766,225	59,911,703	64,162,055
	Value	£.	3,054,240	3,609,136	3,699,496	4,083,880	4,044,759
	Average declared value per lb. — *Annas*	-	*As.* 10 6	*As.* 11 10	*As.* 10 3	*As.* 10 11	*As.* 10 1
	Average declared value per lb. — *Shillings, at average exchange*	-	1·09	1·23	1·04	1·11	1·01
10	Coffee:						
	Quantity	*Cwt.*	369,357	346,364	353,324	340,025	328,317
	Value	£.	1,599,669	1,447,465	1,392,204	1,438,863	1,245,506
	Average declared value per cwt. — *Rupees*	-	43 4 11	41 12 8	39 6 5	42 5 1	37 15 -
	Average declared value per cwt. — *Shillings, at average exchange*	-	72·02	69·29	64·11	68 87	61·05
11	Wool:						
	Raw and manufactured—Value	£.	1,224,412	1,011,234	948,755	876,541	831,919
	Average declared value of raw wool per lb. — *Annas*	-	*As.* 7 2	*As.* 6 -	*As.* 5 10	*As.* 6 -	*As.* 6 -
	Average declared value of raw wool per lb. — *Pence, at average exchange*	-	8·94	7·46	7·12	7·32	7·24
12	Silk:						
	Raw and manufactured—Value	£.	771,016	609,880	820,719	913,345	792,354
	Average declared value of raw silk per lb. — *Rupees*	-	4 3 4	3 7 7	4 - 1	3 14 8	2 15 4
	Average declared value of raw silk per lb. — *Shillings, at average exchange*	-	7·00	5·76	6·52	6·37	4·76
13	Lac:						
	Value	£.	578,320	719,528	699,016	556,739	599,399
14	Sugar:						
	Value	£.	311,751	598,232	808,776	943,218	546,069
15	Oils:						
	Value	£.	581,139	468,227	416,277	495,977	534,041
16	Teak Wood:						
	Quantity	*Cubic Tons*	65,626	56,377	59,187	46,471	47,556
	Value	£.	500,047	506,792	611,260	525,447	532,129
	Average declared value per cubic ton — *Rupees*	-	76 3 2	89 14 4	103 4 5	113 1 1	111 14 4
	Average declared value per cubic ton — *Sterling, at average exchange*	£.	6·34	7·45	8·40	9·20	9·00
17	Saltpetre:						
	Quantity	*Cwt.*	352,995	354,860	399,565	491,668	451,917
	Value	£.	351,728	359,437	388,766	464,410	425,000
	Average declared value per cwt. — *Rupees*	-	9 15 5	10 2 1	9 11 8	9 7 2	9 6 6
	Average declared value per cwt. — *Shillings, at average exchange*	-	16·57	16·80	15·83	15·38	15·14

APPENDIX IV.—*continued.*

TABLE II.—Sea-borne Trade for the Year, &c.—*continued.*

No.	IMPORTS.	1880-81.	1881-82.	1882-83.	1883-84.	1884-85.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	45,877,379	40,763,209	44,859,383	45,379,516	45,801,397
	Value - - - - - - - - - £.	3,699,273	3,222,252	3,378,220	3,465,968	3,360,540
	Average declared value per lb. *Annas* - - - - - -	12·90	12·65	12·05	12·22	11·72
	Average declared value per lb. *Pence, at average exchange* - -	1 *s.* 4·09 *d.*	1 *s.* 3·73 *d.*	1 *s.* 2·70 *d.*	1 *s.* 2·92 *d.*	1 *s.* 2·14 *d.*
	Other Manufactures:					
	Value - - - - - - - - - £.	22,914,314	20,777,985	21,442,372	21,651,392	21,207,106
	TOTAL COTTON GOODS—Gross Imports - £.	26,613,587	24,000,237	24,820,592	25,117,360	24,567,646
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - - - - - *Lbs.*	*625,840*	*747,429*	*862,913*	*1,344,396*	*958,419*
	Value - - - - - - - - - £.	*47,475*	*51,901*	*57,645*	*86,857*	*65,516*
	Other Manufactures:					
	Value - - - - - - - - - £.	*1,151,417*	*1,272,869*	*1,331,582*	*1,399,010*	*1,183,088*
	Total Re-exports - £.	*1,198,892*	*1,324,770*	*1,389,227*	*1,485,867*	*1,248,604*
	TOTAL COTTON GOODS—Net Imports - £.	25,414,695	22,675,467	23,431,365	23,631,493	23,319,042
2	Metals - - - - - - - - - *Value* £.	3,846,996	3,585,491	4,831,492	5,380,181	4,978,577
3	Railway plant and rolling stock - - - „	2,742,689	2,241,695	2,028,349	2,870,942	2,830,082
4	Sugar - - - - - - - - - „	1,611,157	1,243,758	1,086,961	1,148,370	2,140,838
5	Silk (Raw and Manufactured) - - - - „	2,417,402	1,960,916	2,051,923	2,170,923	2,020,917
6	Machinery and mill-work - - - - - „	835,503	1,265,672	1,391,660	1,839,816	1,570,824
7	Liquors - - - - - - - - - „	1,537,812	1,490,526	1,473,742	1,554,819	1,360,280
8	Woollen Manufactures - - - - - „	1,466,121	1,276,263	1,076,388	1,372,403	1,326,669
9	Oils - - - - - - - - - „	529,175	560,585	1,050,897	654,228	1,229,497
10	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - - - - - - *Tons*	712,020	628,738	638,304	681,244	713,972
	Value - - - - - - - - - - £.	1,280,060	992,081	1,012,208	1,104,788	1,199,739
	Average declared value per ton *Rupees* - - - - - -	17·98	15·78	15·86	16·22	16·80
	Average declared value per ton *Shillings, at average exchange* - -	29·90	26·16	25·81	26·40	27·03
11	Provisions - - - - - - - - - *Value* £.	920,181	1,053,083	1,087,186	1,033,932	1,103,321
12	Apparel - - - - - - - - - „	688,403	672,087	796,633	909,084	890,923
13	Salt:					
	Quantity - - - - - - - - - *Tons*	373,376	357,224	338,065	383,090	412,839
	Value - - - - - - - - - - £.	665,517	569,067	515,184	623,011	649,233
	Average declared value per ton *Rupees* - - - - - -	17·82	15·93	15·24	16·26	15·73
	Average declared value per ton *Shillings, at average exchange* - -	29·63	26·41	24·80	26·46	25·31
14	Spices - - - - - - - - - *Value* £.	542,861	507,138	510,854	557,109	602,165

TABLE III.—SEA-BORNE TRADE for the first TEN MONTHS of the Year (Principal ARTICLES arranged in Order of their DECLARED VALUE).

	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.
	£.	£.	£.	£.	£.
Value of commodities Exported, excluding gold and silver	64,500,626	65,843,136	71,852,316	66,818,681	66,480,578
Value of commodities Imported, excluding gold and silver	40,976,036	43,690,335	46,379,559	46,718,204	45,868,409
EXCESS EXPORTS - - -	23,524,590	22,152,801	25,472,757	20,100,477	20,612,169
Net Imports of silver - - - - - - - -	2,846,781	6,798,851	4,251,775	5,618,909	9,377,812
Net Imports of gold - - - - - - - -	4,214,855	4,394,654	4,815,829	4,501,665	2,267,449
TOTAL NET IMPORTS of Gold and Silver - - -	7,061,636	11,193,505	9,067,604	10,120,574	11,645,261
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS - - - - - - £.	114,389,296	122,416,665	129,050,361	127,002,903	126,076,835

APPENDIX IV.—*continued.*

TABLE III.—Sea-borne Trade for the first Ten Months of the Year, &c.—*continued.*

No.	EXPORTS.	TEN MONTHS, 1ST APRIL TO 31ST JANUARY.				
		1881-82.	1882-83.	1883-84.	1884-85.	1885-86.
1	Cotton, Raw:					
	Quantity - - - - *Cwts.*	3,855,498	4,651,431	4,595,435	4,112,165	2,832,544
	Value - - - - - £.	10,290,944	12,242,440	11,010,168	10,813,138	7,460,378
	Average value per lb. - - - *Rs.*	- 3 10	- 3 9	- 3 5	- 3 9	- 3 9
	Cotton Manufactures—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	26,346,556	38,178,298	41,658,492	54,767,258	64,248,483
	Value - - - - - £.	1,185,818	1,534,742	1,608,689	2,038,178	2,256,315
	Average value per lb. - - *Rs.*	- 7 2	- 6 5	- 6 2	- 5 11	- 5 7
	Other Manufactures—Value - - £.	540,940	629,720	764,580	717,264	736,227
	TOTAL COTTON (Raw and Manufactured) - - £.	12,017,702	14,406,902	13,383,437	13,568,580	10,452,920
2	Opium:					
	Quantity - - - - *Chests*	75,983	75,792	77,268	72,216	72,904
	Value - - - - - £.	10,656,679	9,531,439	9,468,546	9,086,327	8,920,583
	Average value per chest - - *Rs.*	1,402 8 2	1,257 9 3	1,225 6 8	1,258 3 5	1,223 9 9
3	Seeds:					
	Quantity - - - - *Cwts.*	8,535,734	11,161,413	14,934,300	15,195,625	15,039,478
	Value - - - - - £.	4,985,910	6,052,491	8,598,302	8,883,008	8,580,874
	Average value per cwt. - - *Rs.*	5 13 6	5 6 9	5 12 1	5 13 6	5 11 3
4	Wheat:					
	Quantity - - - - *Cwts.*	18,052,510	11,827,496	19,479,869	13,097,578	19,416,724
	Value - - - - - £.	7,844,116	5,089,329	8,220,783	5,271,635	7,372,504
	Average value per cwt. - - *Rs.*	4 5 6	4 4 10	4 3 6	4 - 5	3 12 9
5	Rice and Paddy:					
	Quantity - - - - *Cwts.*	17,765,378	19,496,126	17,533,512	12,883,218	16,922,266
	Value - - - - - £.	5,398,348	5,295,699	5,351,060	4,486,014	5,660,927
	Average value per cwt. - - *Rs.*	3 - 7	2 11 5	3 - 10	3 7 9	3 5 6
6	Jute (Raw and Manufactured) —Value £.	4,840,050	5,972,915	4,995,786	5,404,182	4,406,838
7	Hides and Skins:					
	Quantity - - - - *Cwts.*	637,238	699,590	734,434	774,187	833,456
	Value - - - - - £.	3,099,957	3,561,480	3,768,614	3,827,329	4,095,575
	Average value per cwt. - - *Rs.*	48 10 4	50 14 6	51 5 -	49 7 -	49 2 3
8	Tea:					
	Quantity - - - - - *Lbs.*	43,667,393	51,304,426	55,085,039	58,361,667	63,878,622
	Value - - - - - £.	3,261,580	3,295,322	3,768,115	3,699,835	4,000,263
	Average value per lb. - - - *Rs.*	- 11 11	- 10 3	- 10 11	- 10 2	- 10 -
9	Indigo:					
	Quantity - - - - *Cwts.*	115,660	109,609	143,141	113,007	109,578
	Value - - - - - £.	3,531,766	3,061,912	3,989,208	3,011,763	3,167,612
	Average value per cwt. - - *Rs.*	305 5 9	279 5 7	278 11 1	266 8 2	289 1 2
10	Wool (Raw and Manufactured)—Value £.	827,210	803,094	749,311	701,724	747,306
11	Coffee:					
	Quantity - - - - *Cwts.*	204,103	221,811	193,728	206,220	211,407
	Value - - - - - £.	858,105	849,037	792,383	745,514	726,344
	Average value per cwt. - - *Rs.*	42 - 8	38 4 5	40 14 5	36 2 5	34 5 9
12	Silk (Raw and Manufactured)—Value £.	502,786	633,368	782,498	651,515	535,157
13	Teak:					
	Quantity - - - *Cubic Tons*	48,485	47,367	35,328	40,498	45,508
	Value - - - - - £.	434,519	481,936	396,684	454,285	503,006
	Average value per cubic ton - *Rs.*	89 9 11	101 11 11	112 4 7	112 2 10	110 8 6
14	Lac - - - - - - - £.	538,509	543,035	466,009	464,958	470,078
15	Sugar - - - - - - - £.	511,158	732,547	891,626	531,412	457,191
16	Saltpetre:					
	Quantity - - - - *Cwts.*	271,574	339,392	399,985	350,522	349,312
	Value - - - - - £.	276,183	329,377	380,531	332,259	320,169
	Average value per cwt. - - *Rs.*	10 2 9	9 11 3	9 8 3	9 7 8	9 2 8
17	Oils - - - - - - - £.	371,424	326,699	377,477	407,750	317,188

APPENDIX IV.—*continued.*

TABLE III.—Sea-borne Trade for the first Ten Months of the Year, &c.—*concluded.*

No.	IMPORTS.	TEN MONTHS, 1ST APRIL TO 31ST JANUARY.				
		1881–82.	1882–83.	1883–84.	1884–85.	1885–86.
1	COTTON—					
	Twist and Yarn:					
	Quantity - - - - - *Lbs.*	34,326,134	38,302,359	37,788,920	39,868,937	36,943,471
	Value - - - - - - £.	2,706,399	2,909,336	2,873,305	2,938,886	2,564,598
	Average value per lb. - - *Rs.*	– 12 7	– 12 2	– 12 2	– 11 10	– 11 1
	Ditto - in sterling, at average exchange.	1 *s.* 3⅜ *d.*	1 *s.* 3 *d.*	1 *s.* 3 *d.*	1 *s.* 2½ *d.*	1 *s.* –¾ *d.*
	Other Manufactures—Value - £.	17,204,922	18,147,253	18,603,096	17,720,147	17,095,757
	TOTAL COTTON GOODS—Gross Imports - - £.	19,911,321	21,056,589	21,476,401	20,659,033	19,660,355
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - - Lbs.	*632,768*	*708,175*	*1,086,992*	*771,442*	*950,939*
	Value - - - - - - £.	*43,567*	*48,339*	*68,011*	*52,844*	*60,596*
	Average Value per lb. - - Rs.	*– 11 –*	*– 10 11*	*– 10 –*	*– 10 11*	*– 10 2*
	Other Manufactures—Value - £.	*1,018,867*	*1,066,632*	*1,159,872*	*949,263*	*1,127,051*
	Total Re-exports - - - £.	*1,062,434*	*1,114,971*	*1,227,883*	*1,002,107*	*1,187,647*
	TOTAL COTTON GOODS—Net Imports - - £.	18,848,887	19,941,618	20,248,518	19,656,926	18,472,708
2	Metals - - - - - - *Value £.*	2,911,939	4,004,558	4,402,987	4,212,882	4,099,020
3	Railway Plant and Rolling Stock. „	1,899,350	1,610,244	2,344,819	2,259,278	3,507,540
4	Silk (Raw and Manufactured) - „	1,748,434	1,813,882	1,871,627	1,762,895	1,606,645
5	Woollen Manufactures - - „	1,166,314	938,474	1,220,713	1,181,190	1,209,423
6	Sugar - - - - - - „	1,071,976	841,985	908,970	1,675,814	1,242,430
7	Liquors - - - - - - „	1,203,909	1,189,247	1,266,500	1,110,379	1,146,611
8	Provisions - - - - - „	894,308	925,256	885,372	923,718	1,018,745
9	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - - *Tons*	528,226	465,909	499,696	521,276	626,449
	Value - - - - - - £.	835,042	740,092	795,663	872,549	1,002,423
	Average Value per Ton - *Rs.*	15 12 11	15 14 2	14 14 3	16 11 10	16 – –
10	Machinery and Millwork - *Value £.*	985,823	1,090,309	1,425,642	1,319,618	896,351
11	Apparel - - - - - - „	573,998	676,078	773,366	769,191	801,673
12	Oils - - - - - - „	444,337	946,164	526,582	1,083,189	788,959
13	Spices - - - - - - „	425,017	441,471	485,603	499,934	590,558
14	Salt:					
	Quantity - - - - - *Tons*	303,547	287,131	313,132	364,549	305,749
	Value - - - - - - £.	491,252	426,616	506,896	569,967	497,530
	Average Value per Ton - *Rs.*	16 2 11	14 13 9	16 3 –	15 10 2	16 4 4

APPENDIX IV.—*continued.*

TABLE IV.—WHOLESALE PRICES of TYPICAL COMMODITIES in GOLD and SILVER in *London* and *Calcutta* in December of each Year.

(Prices of March 1873 = 100.)

	Measured in Gold.								Measured in Silver.*							
In LONDON— (Prices quoted from the London "Economist"):	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.
Scotch pig-iron (warrants)	36	55	43	44	41	36	36	35	44	63	50	51	49	42	43	45
Coals, 'Hetton, Wallsend, (London).	60	50	52	51	54	54	52	51	72	57	60	59	65	63	62	66
Copper, Chili bars	64	74	68	79	73	65	54	45	77	85	78	91	87	76	64	58
Straits tin	42	62	63	76	64	58	52	64	50	71	73	88	76	68	62	81
Wheat	72	85	77	80	74	70	57	55	87	97	89	92	88	82	68	69
Flour, town-made	69	86	81	91	71	67	54	53	83	98	93	105	85	78	65	68
Beef, inferior	90	85	100	97	97	97	98	75	108	97	116	112	116	113	117	95
Cotton, No. 40, mule twist	61	77	75	77	70	69	70	64	73	87	87	89	84	81	83	82
Wool, Southdown hogs	65	71	76	68	59	61	52	51	78	81	87	78	71	71	63	65
Sugar, foreign Muscovado	80	95	80	71	62	64	44	60	96	108	92	82	74	75	52	77
Coffee	73	83	71	64	74	83	66	65	88	94	81	74	88	97	79	83
Saltpetre	89	96	102	105	90	87	81	78	108	110	118	121	108	102	97	100
Gold	–	–	–	–	–	–	–	–	120	114	115	115	119	117	119	127
Silver	83	88	86	87	84	85	84	79	–	–	–	–	–	–	–	–
IN CALCUTTA—(Prices quoted from the "Calcutta Price Current"):																
Grey shirtings (8¼ lbs.)									74	81	80	78	75	74	76	80
Mule twist, white, good, No. 40									75	88	83	81	75	75	72	71
„ „ Turkey red, No. 40 (12 lbs.)									78	77	69	69	55	65	58	57
„ „ Orange, No. 40—60									73	87	88	85	80	82	78	73
Copper, sheathing									80	87	80	87	79	77	65	58
Iron, flat, bolt, bar, and square									56	76	56	65	60	62	54	50
Spelter, hard									107	121	95	96	125	79	84	97
Hides, buffalo, slaughtered									69	96	93	88	87	72	71	79
Indigo, good									100	119	105	113	101	116	103	110
Jute, picked									153	169	148	140	96	164	110	118
Lacdye, fine									54	73	49	36	27	–	–	–
Shell lac, fine orange									56	153	122	93	80	98	56	59
Linseed, fine bold clean									Nil	120	104	93	86	95	95	101
Rice, Ballam									259	153	103	97	100	138	139	Nil
Silk, raw, Cossimbazar									69	87	80	86	78	66	60	73
Tea, good Souchong									77	82	64	82	59	64	55	64
Wheat, Doodiah									109	109	92	92	84	85	66	72
Gold									109	110	112	112	115	112	119	127

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX IV.—*continued.*

TABLE V.—STATEMENT showing the true Financial Results to the REVENUES of *India* of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES.

	1880–81.	1881–82.	1882–83.	1883–84.	1884–85.†	1885–86.†		1886–87.†
						Budget Estimate.	Revised Estimate.	Budget Estimate.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at end of official year.	4,568	4,600	4,616	4,611	4,636	4,523	4,528	3,922½
	£.	£.	£.	£.	£.	£.	£.	£.
Gross Earnings - - - -	6,488,787	7,632,677	7,784,881	7,836,035	7,606,685	7,240,000	7,729,000	6,740,000
Working Expenses - - -	3,575,474	4,017,052	4,202,835	4,147,892	4,128,385	3,880,000	4,085,000	3,606,500
Percentage of Working Expenses on Earnings.	55·10	52·63	53·94	52·86	54·27	53·59	52·85	53·50
Net Traffic Earnings - - -	2,913,313	3,615,625	3,582,046	3,688,143	3,478,300	3,360,000	3,644,000	3,133,500
Net gain by the remittance to England of Capital Receipts and Disbursements in India at the Contract Rates of Exchange, instead of at the average yearly rates obtained for the Secretary of State's bills - - - -	- -	- -	- -	- -	1,036	—	—	—
TOTAL Revenue - - £.	2,913,313	3,615,625	3,582,046	3,688,143	3,479,336	3,360,000	3,644,000	3,133,500
Gross Guaranteed Interest paid in India.	7,447	6,958	8,038	12,521	29,650	4,400	4,120	3,400
Gross Guaranteed Interest paid in London.*	3,254,504	3,264,813	3,309,834	3,284,241	3,217,240	3,205,000	3,180,500	2,687,500
Total Guaranteed Interest (Sterling Payments converted at the average exchange of the year).	3,824,152	3,945,410	4,077,298	4,038,148	4,028,705	4,000,200	4,186,700	3,586,700
Surplus Paid to Railway Companies.	91,619	333,330	486,590	569,946	431,494	428,500	410,100	417,500
Land and Supervision - - -	57,613	74,746	72,181	67,325	61,457	87,000	83,900	81,000
Interest on Revenue Balances -	1,216	1,750	1,647	1,872	1,865	2,300	1,450	2,000
Net Loss on Receipts and Disbursements of Capital in India, calculated in the same way as the gain.	60,046	77,335	66,305	86,675	- -	33,000	8,300	58,400
TOTAL Expenditure - - £.	4,034,646	4,432,569	4,704,021	4,763,966	4,523,521	4,551,000	4,690,450	4,145,600
Net Expenditure from the Public Treasury.	1,121,333	816,944	1,121,975	1,075,823	1,044,185	1,191,500	1,046,450	1,012,100
Net Revenue - - - - -	—	—	—	—	—	—	—	—

* With the exception of the figures in this line, which are true sterling figures, all the amounts in this table have been converted into English currency at the rate of *Rs.* 10 = £. 1.

† Excluding the Eastern Bengal Railway after 30th June 1884.

‡ Excluding the Eastern Bengal, and Scinde, Punjab, and Delhi Railways.

APPENDIX IV.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS in 1884–85, and ESTIMATED EXPENDITURE on such Works in 1885–86 and 1886–87, and to the End of 1886–87.

RAILWAYS.	Accounts, 1884–85.	Revised Estimate, 1885–86.	Budget Estimate, 1886–87.	To End of 1886–87.	Sanctioned Outlay.	Balance remaining Unspent.
	£.	£.	£.	£.	£.	£.
East Indian	621,150	(a) 271,000	200,000	(a)13,655,156	13,655,156	—
Eastern Bengal	1,149,824	(a) 235,350	111,600	(a)2,645,191	2,645,191	—
Rajputana-Malwa	162,114	110,000	47,500	8,728,657	8,728,657	—
Holkar	3,150	5,000	2,500	1,285,745	1,285,745	—
Rewari-Ferozepore	278,799	51,000	30,000	1,224,778	1,224,778	—
Sindia	916	5,000	5,000	900,149	900,149	—
Bhopal	- -	- -	- -	131,057	131,057	—
Wardha Coal	17,042	14,300	31,756	707,967	707,967	—
Nagpur and Chhattisgarh	63,002	45,000	64,920	1,153,416	1,153,416	—
Bilaspur-Etawah	8,349	—500	- -	18,056	18,056	—
Umaria Colliery	9,383	21,000	21,000	51,383	51,383	—
Katni-Umaria	96,108	293,900	53,160	443,168	*443,095	—73
Burma	298,577	100,750	5,300	2,734,619	2,734,619	—
Jorhat	27,837	5,700	2,340	55,258	55,258	—
Cherapoonji Mountain	21,011	21,400	2,490	52,521	52,521	—
Tirhoot and Extensions	101,664	—50,750	12,500	1,469,007	1,469,007	—
Patna-Gya	17,698	9,800	12,500	416,282	416,282	—
Nalhati	—703	—600	—493	33,740	33,740	—
Northern Bengal	72,862	29,300	52,500	2,249,075	2,249,075	—
Naraingani-Dacca-Mymensingh	207,671	111,360	38,193	640,852	659,085	18,233
Ranaghat-Bhagwangola	2,877	—500	1,200	29,989	29,989	—
Assam-Behar — Tirhoot Section	89,682	195,500	64,515	364,452	* 518,132	153,680
Assam-Behar — Assam-Behar Section	187,135	255,800	41,300	524,399	*1,635,838	1,111,439
Nagpur-Bengal	77,668	55,000	8,000	171,257	171,257	—
Kaunia-Dhurla	3,310	1,600	1,500	97,019	97,019	—
Lucknow-Sitapur-Kheri	38,518	102,400	102,900	250,302	512,690	262,388
Cawnpore-Achnera	99,386	69,150	15,100	1,161,580	1,161,580	—
Dildarnagar-Ghazipur	—1,758	100	- -	70,801	70,801	—
Bareilly-Pilibhit	41,579	7,000	1,500	146,617	146,617	—
Cawnpore-Kalpi	154,181	—154,180	—	—	—	—
Sind, Punjab, and Delhi	- -	232,000				
Indus Valley	266,821	75,100				
Punjab Northern, Southern Section	61,280	34,070	5,143,900	21,623,816	21,623,816	—
„ „ Northern „	—7,106					
Sind-Pishin—Southern Section	—42,655	30,000				
Ferozepore Tramway	- -	8,000	—	—	—	—
Kandahar Reserve Rolling Stock	- -	- -	486,400	486,400	486,400	—
Amritsar-Pathankote	87,211	2,000	4,500	563,945	563,945	—
Dhond and Manmad	10,178	1,900	8,500	1,036,654	1,036,654	—
Stores and Reserve	163,744	167,467	—258,695	237,700	- -	—237,700
Carried forward £.	4,388,505	2,360,417	6,313,386	65,361,008	66,668,975	1,307,967

Note.—The figures of the Budget Estimate for 1886–87 include exchange.

* Estimated cost.

(a) Excludes 1,089,000 *l.* on account of debt incurred in England for the East Indian Railway (548,000 *l.*) and Eastern Bengal Railway (541,000 *l.*)

APPENDIX IV.—*continued.*

TABLE VI.—CAPITAL EXPENDITURE ON STATE RAILWAYS—*continued.*

RAILWAYS.	Accounts, 1884-85.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.	To End of 1886-87.	Sanctioned Outlay.	Balance remaining Unspent.
	£.	£.	£.	£.	£.	£.
Brought forward - - -	4,388,505	2,360,417	6,313,386	65,361,008	66,668,975	1,307,967
Jhansi-Manickpur - - - - - -	195,569	—313,400	—	—	—	—
Cuddapah-Nellore - - - - - -	142,077	177,500	179,400	525,642	* 366,400	—159,242
Bellary-Kistna - - - - - -	351,813	388,900	500,000	1,333,916	1,775,000	441,084
Kadiri Extension Survey - - - -	4,464	9,000	3,400	17,608	17,608	—
Hindupur Extension Survey - - -	3,452	- -	- -	3,452	3,452	—
Damalchera-Villupuram Survey - - -	2,236	7,000	4,000	13,236	13,236	—
Vizagapatam-Raipur - - - - - -	6,861	- -	- -	24,504	24,504	—
Southern Mahratta - - - - - -	- -	- -	- -	32,556	32,556	—
Sutlej Bridge - - - - - - -	24,584	174,355	239,550	438,489	400,000	—38,489
Sind-Sagar, Western Section - - -	17,946	445,960	1,092,640	1,556,546	†2,468,983	912,437
„ Eastern „ - - -	21,266	111,207	34,938	167,411	†143,977	—23,434
Sind-Pishin, Northern Section - - -	669,066	1,692,561	930,816	3,414,779	†3,722,356	307,577
„ Durwaza Quetta Section -	- -	144,000	151,000	295,000	‡ 295,000	—
Bolan, Lower and Ghat Sections - - -	- -	262,300	4,600	266,900	‡ 266,900	—
Kandahar reserve material - - - -	- -	145,300	188,800	334,100	‡ 334,100	—
Reserves:						
Kwaja-Amran Extension - - -	- -	- -	200,000	200,000	200,000	—
Punjab Northern, Gradient Improvements - - - - - - -	- -	- -	40,000	40,000	‡ 40,000	—
Sind-Pishin—Northern Section - -	- -	- -	100,000	100,000	‡ 100,000	—
Crossing Amran to Frontier - - -	- -	- -	150,000	150,000	‡ 150,000	—
Bezwara to Hyderabad Frontier - -	- -	- -	100,000	100,000	‡ 100,000	—
	5,827,839	5,605,100	10,232,530	74,375,147	77,123,047	2,747,900
Add,—Exchange - - - -	174,677	529,000	- -	2,059,814	2,059,814	—
	6,002,516	6,134,100	10,232,530	76,434,961	79,182,861	2,747,900
Deduct,—Exchange on English Stores paid for in previous years, likely to be issued to Revenue in 1886-87 - - - - - -	- -	- -	52,000	52,000	52,000	—
TOTAL - - - £.	6,002,516	6,134,100	10,180,530	76,382,961	79,130,861	2,747,900
Distributed as under :—						
Capital Expenditure on Public Works not charged against Revenue—State Railways - - - - - -	4,693,502	(*a*)4,385,000	9,623,300	65,738,669	—	—
Famine Relief and Insurance:						
Protective Railways - - - -	898,100	589,000	500,000	3,099,039	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance) - - -	236,237	631,100	109,230	5,537,439	—	—
	5,827,839	5,605,100	10,232,530	74,375,147	—	—
Exchange - - - - - - - -	174,677	529,000	—52,000	2,007,814	—	—
TOTAL - - - £.	6,002,516	6,134,100	10,180,530	76,382,961	—	—

* Revised Estimate under consideration.
† Estimated cost.
‡ Estimates for these lines have not yet been sanctioned, hence the outlay is quoted.
(*a*) Excludes 1,089,000 *l.* on account of debt incurred in England for the East Indian and Eastern Bengal Railways.

APPENDIX IV.—*continued.*

TABLE VII.—ACTUAL CAPITAL EXPENDITURE on IRRIGATION—MAJOR WORKS, and PROTECTIVE IRRIGATION WORKS, in 1884-85, and ESTIMATED EXPENDITURE on such Works in 1885-86, 1886-87, and to the End of 1886-87, &c.

	Actuals, 1884-85.	Revised Estimate, 1885-86.	Budget Estimate, 1886-87.	TOTAL to End of 1886-87.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be Spent.
IRRIGATION:	£.	£.	£.	£.	£.	£.
MAJOR WORKS:						
Orissa Canals	77,359	62,500	64,000	2,260,223	3,110,213	849,990
Midnapore Canal	2,407	1,000	3,000	819,224	824,900	5,676
Tidal Canal	- -	- -	- -	177,270	177,270	—
Sone Canals	39,222	24,500	20,000	2,509,341	2,788,870	279,529
Ganges Canal	13,280	6,070	24,590	2,671,618	2,923,442	251,824
Lower Ganges Canal	70,886	96,860	124,080	2,765,952	2,772,451	6,499
Agra Canal	16,593	2,810	8,180	833,188	871,670	38,482
Eastern Jumna Canal	8,449	4,260	6,900	299,359	344,191	44,832
Western Jumna Canal	52,515	24,800	28,200	1,015,043	1,079,050	64,007
Bari Doab Canal	24,319	12,800	15,600	1,560,900	1,579,860	18,960
Sirhind Canal	61,991	89,700	84,200	2,115,339	2,079,283	—
Chenab Canal	50,603	57,100	60,400	196,835	293,559	96,724
Godavari Delta System	37,325	29,017	33,600	1,063,620	1,108,869	45,249
Kistna Delta System	46,509	38,226	48,000	754,118	1,389,978	635,860
Sangam Anicut System	61,681	49,159	37,700	283,571	289,644	6,073
Desert Canal	4,809	1,540	6,430	114,744	126,684	11,940
Begari Canal	8,654	4,274	- -	160,107	162,885	2,778
Eastern Nara Works	32,424	27,789	32,870	497,347	515,903	18,556
Mutha Canals	6,930	8,838	5,880	594,559	605,323	10,764
Other projects	83,440	88,577	104,171	2,832,500	—	—
	699,396	629,820	707,801	23,524,858	—	—
Deduct,—Outlay incurred from Ordinary Funds	- -	12,710	7,801	20,511	—	—
TOTAL £.	699,396	617,110	700,000	23,504,347	—	—
FAMINE RELIEF AND INSURANCE:						
PROTECTIVE IRRIGATION WORKS:						
Betwa Canal	82,982	62,500	20,300	399,752	425,141	25,389
Swat River Canal	31,418	12,500	16,200	331,902	354,581	22,679
Rushikulya project	13,673	18,774	28,000	61,242	260,139	198,897
Nira Canal	41,452	49,740	20,830	343,917	397,736	53,819
Other projects	83,521	55,060	25,970	393,848	—	—
	253,046	198,574	111,300	1,530,661	—	—
Deduct,—Outlay incurred from Ordinary Funds	- -	- -	- -	285,433	—	—
TOTAL £.	253,046	198,574	111,300	1,245,228	—	—
GRAND TOTAL £.	952,442	815,684	811,300	24,749,575	—	—

APPENDIX IV.—*continued.*

TABLE VIII.—GROSS RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS of GUARANTEED and STATE RAILWAYS, for Five Years ending 1884-85, with REVISED ESTIMATES for 1885-86, and BUDGET ESTIMATES for 1886-87.

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1880-81.	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.
GUARANTEED RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	4,568	4,600	4,616	4,611	4,636	4,528	*3,922½
Gross Receipts.	£.	£.	£.	£.	£.	£.	£.
East Indian	18,660	29,635	—	—	—	—	—
Eastern Bengal	484,480	584,879	642,331	488,951	82,325	—	—
Madras	617,619	641,334	682,571	691,041	716,965	750,000	750,000
South Indian	368,547	376,036	376,278	400,362	423,774	442,500	450,000
Bombay, Baroda, and Central India	733,173	976,455	1,075,380	1,211,703	1,221,595	1,290,000	1,305,000
Great Indian Peninsula	2,615,587	3,483,259	3,496,761	3,342,850	3,514,397	3,620,000	3,620,000
Oudh and Rohilkhund	459,744	531,386	479,388	578,859	517,633	559,000	615,000
Sind, Punjab, and Delhi	1,190,977	1,009,693	1,032,172	1,122,269	1,129,996	1,067,500	—
TOTAL £.	6,488,787	7,632,677	7,784,881	7,836,035	7,606,685	7,729,000	6,740,000
Working Expenses.							
East Indian	—	29,489	—	—	—	—	—
Eastern Bengal	215,984	237,278	266,346	262,305	85,153	—	—
Madras	419,088	426,289	433,274	404,655	424,121	445,000	490,000
South Indian	231,370	248,467	240,198	252,836	281,515	300,000	304,000
Bombay, Baroda, and Central India	356,168	419,097	553,807	497,646	550,449	570,000	580,000
Great Indian Peninsula	1,411,751	1,638,756	1,725,000	1,751,373	1,779,690	1,800,000	1,850,000
Oudh and Rohilkhund	252,545	325,890	324,210	303,145	307,793	370,000	382,500
Sind, Punjab, and Delhi	687,668	691,786	660,000	675,932	699,664	600,000	—
TOTAL £.	3,575,474	4,017,052	4,202,835	4,147,892	4,128,385	4,085,000	3,606,500
Net Traffic Receipts.							
East Indian	18,660	146	—	—	—	—	—
Eastern Bengal	268,496	347,601	375,985	226,646	—2,828	—	—
Madras	197,631	215,045	249,297	286,386	292,844	305,000	260,000
South Indian	137,177	127,569	136,080	147,526	142,259	142,500	146,000
Bombay, Baroda, and Central India	377,005	557,358	521,573	714,057	671,146	720,000	725,000
Great Indian Peninsula	1,203,836	1,844,503	1,771,761	1,591,477	1,734,707	1,820,000	1,770,000
Oudh and Rohilkhund	207,199	205,496	155,178	275,714	209,840	189,000	232,500
Sind, Punjab, and Delhi	503,309	317,907	372,172	446,337	430,332	467,500	—
TOTAL £.	2,913,313	3,615,625	3,582,046	3,688,143	3,478,300	3,644,000	3,133,500
OTHER STATE RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	3,814	4,534	4,821	5,153	5,632	†6,860	‡7,151
Gross Receipts.	£.	£.	£.	£.	£.	£.	£.
East Indian Railway	4,253,071	4,710,506	4,601,288	4,999,409	4,310,369	4,700,200	4,750,200
Eastern Bengal	—	—	—	—	453,881	452,500	550,000
Rajputana-Malwa	611,949	1,012,348	1,113,335	1,319,710	1,306,991	1,650,000	1,650,000
Rewari-Ferozepore	—	—	—	45,140	92,601		
Sindia	22,880	32,863	32,030	25,155	36,832	39,500	39,500
Bhopal	—	—	1,438	2,557	1,281	2,600	4,000
Wardah Coal	24,586	52,980	67,287	76,529	67,822	69,000	70,000
Umaria Colliery	—	—	—	—	1,572	2,500	25,000
Nagpur and Chhattisgarh	15,905	41,870	85,890	129,565	136,239	149,000	150,000
Burma State Railway	141,146	152,933	158,688	167,717	216,640	237,000	260,000
Jorhat	—	—	—	—	383	3,500	4,600
Patna-Gya	49,828	53,636	39,834	47,019	51,793	51,600	51,700
Northern Bengal	170,325	192,741	227,991	213,274	216,628	230,000	230,000
Tirhoot	54,338	57,878	70,981	98,167	124,972	125,000	137,500
Nalhati	6,732	6,787	7,406	8,063	7,638	7,700	7,700
Calcutta and South Eastern	14,667	15,902	22,007	31,806	9,465	—	—
Kaunia-Dhurla	—	—	10,627	14,080	15,676	12,500	14,500
Narainganj-Dacca-Mymensingh	—	—	—	—	2,559	11,500	35,000
Cawnpore-Achnera	18,606	48,785	54,333	57,736	92,930	95,000	103,500
Dildarnagar-Ghazipur	1,788	4,113	4,847	3,480	4,673	4,700	4,700
Bareilly-Pilibhit	—	—	—	—	899	8,200	10,000
Sind, Punjab, and Delhi	—	—	—	—	—		
Punjab Northern, including Northern Section	401,140	327,018	304,758	319,015	336,908	1,750,000	2,450,000
Indus Valley and Sind-Pishin	682,027	542,580	567,669	691,048	789,493		
Amritsar-Pathankote	—	—	—	—	19,958	28,500	29,500
Dhond and Manmad §	52,988	14,047	15,998	19,165	20,427	22,300	22,500
Cherrapunji	—	—	—	—	—	—	4,000
Bellary-Kistna	—	—	—	—	—	—	11,500
Carried forward £.	6,521,976	7,267,047	7,386,407	8,268,635	8,318,630	9,652,800	10,615,400

* The Eastern Bengal Railway, 160 miles, was purchased by the State on 30th June 1884, and the Sind, Punjab, and Delhi Railway, 691 miles, on 1st January 1886, and the mileage is shown under State Railways.

† Includes one-fifth the length of the Bhopal Railway, and the whole length of the Sind, Punjab, and Delhi Railway.

‡ Includes one-fifth the length of the Bhopal Railway.

§ The working of this line has been transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX IV.—*continued.*

TABLE VIII.—RECEIPTS AND EXPENSES OF RAILWAYS—*continued.*

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1880-81.	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.
OTHER STATE RAILWAYS—*continued.*	£.	£.	£.	£.	£.	£.	£.
Gross Receipts—continued.							
Brought forward	6,521,976	7,237,047	7,386,407	8,268,635	8,318,630	9,652,800	10,615,400
Katni-Umaria	- -	- -	- -	- -	- -	- -	6,000
Southern Mahratta	- -	- -	- -	77	33,244	100,000	160,000
Bengal Central	- -	- -	- -	- -	- -	52,500	60,000
Exchange	- -	- -	- -	- -	56	63	67
TOTAL £.	6,521,976	7,267,047	7,386,407	8,268,712	8,351,930	9,805,363	10,841,467
Working Expenses.							
East Indian Railway	1,482,316	1,448,794	2,069,398	1,996,842	1,829,235	1,790,000	1,955,000
Eastern Bengal	- -	- -	- -	- -	188,662	282,500	283,500
Rajputana-Malwa	430,206	581,520	588,661	697,384	708,222	910,000	940,000
Rewari-Ferozepore	- -	- -	- -	31,326	63,947		
Sindia	19,868	23,792	23,830	11,361	19,572	19,200	20,600
Bhopal	- -	- -	1,976	2,984	1,746	3,000	3,400
Wardah Coal	44,678	44,743	45,442	21,620	47,603	51,500	53,000
Umaria Colliery	- -	- -	- -	- -	1,379	9,000	21,500
Nagpur-Chhattisgarh	11,436	24,602	49,134	64,572	80,480	93,000	104,000
Burma State Railway	85,953	89,676	98,816	102,117	134,468	173,500	175,000
Jorhat	- -	- -	- -	- -	725	4,000	4,500
Patna-Gya	27,563	34,117	27,100	23,356	29,825	26,800	28,500
Northern Bengal	92,519	96,046	107,153	123,543	152,031	146,000	136,500
Tirhoot	31,551	34,904	44,052	67,863	96,847	90,000	90,000
Nalhati	6,970	5,500	5,059	5,632	7,213	6,400	6,500
Calcutta and South Eastern	9,021	19,693	11,623	19,513	8,600	—	—
Kaunia-Dhurla	- -	- -	9,039	10,075	11,980	11,000	12,000
Naraingunj-Dacca-Mymensingh	- -	- -	- -	- -	707	18,000	32,500
Cawnpore-Achnera	10,865	35,503	36,578	36,802	68,492	77,000	73,500
Dildarnagar-Ghazipur	2,318	3,580	4,169	1,222	2,727	2,400	2,600
Bareilly-Pilibhit	- -	- -	- -	- -	1,385	6,000	7,000
Sind, Punjab, and Delhi	- -	- -	- -	- -	- -		
Punjab Northern, including Northern Section	306,608	286,750	261,124	252,260	235,918	825,000	1,350,000
Indus Valley and Sind-Pishin	480,956	405,965	370,542	391,727	364,337		
Amritsar-Pathankote	- -	- -	- -	- -	17,535	23,700	24,000
Dhond and Manmad *	47,016	—	—	—	—	—	—
Cherrapunji	- -	- -	- -	- -	- -	- -	4,000
Bellary-Kistna	- -	- -	- -	- -	- -	- -	10,000
Katni-Umaria	- -	- -	- -	- -	- -	- -	4,500
Southern Mahratta	- -	- -	- -	172	33,183	77,500	120,000
Bengal Central	- -	- -	- -	- -	- -	56,500	55,000
Exchange	- -	- -	- -	- -	38,795	38,100	52,000
TOTAL £.	3,089,844	3,135,185	3,753,696	3,860,371	4,145,614	4,740,100	5,569,100
Net Traffic Receipts.							
East Indian Railway	2,770,755	3,261,712	2,531,890	3,002,567	2,481,134	2,910,200	2,795,200
Eastern Bengal	- -	- -	- -	- -	265,219	170,000	266,500
Rajputana-Malwa	181,743	430,828	524,674	622,326	598,769	740,000	710,000
Rewari Ferozepore	- -	- -	- -	13,814	28,654		
Sindia	3,012	9,071	8,200	13,794	17,260	20,300	18,900
Bhopal	- -	- -	—538	—427	—465	—400	600
Wardah Coal	—20,092	8,237	21,845	54,909	20,219	17,500	17,000
Umaria Colliery	- -	- -	- -	- -	193	—6,500	3,500
Nagpur and Chhattisgarh	4,469	17,268	36,756	64,993	55,759	56,000	46,000
Burma State Railway	55,193	63,257	59,872	65,600	82,172	63,500	85,000
Jorhat	- -	- -	- -	- -	—342	—500	100
Patna-Gya	22,265	19,519	12,734	23,663	21,968	24,800	23,200
Northern Bengal	77,806	96,695	120,838	89,731	64,597	84,000	93,500
Tirhoot	22,787	22,974	26,929	30,304	28,125	35,000	47,500
Nalhati	—238	1,287	2,347	2,431	425	1,300	1,200
Calcutta and South Eastern	5,646	—3,731	10,384	12,298	865	—	—
Kaunia-Dhurla	- -	- -	1,588	4,005	3,696	1,500	2,500
Naraingunj-Dacca-Mymensingh	- -	- -	- -	- -	1,852	—6,500	2,500
Cawnpore Achnera	7,741	13,282	17,755	20,934	24,438	18,000	30,000
Dildarnagar-Ghazipur	—530	533	678	2,258	1,946	2,300	2,100
Bareilly-Pilibhit	- -	- -	- -	- -	—486	2,200	3,000
Sind, Punjab, and Delhi	- -	- -	- -	- -	- -		
Punjab Northern, including Northern Section	94,532	40,268	43,634	66,755	100,990	925,000	1,100,000
Indus Valley and Sind-Pishin	201,071	136,615	197,127	299,321	425,156		
Amritsar-Pathankote	- -	- -	- -	- -	2,423	4,800	5,500
Dhond and Manmad *	5,972	14,047	15,998	19,165	20,427	22,300	22,500
Cherrapunji	—	—	—	—	—	—	—
Bellary-Kistna	- -	- -	- -	- -	- -	- -	1,500
Katni-Umaria	- -	- -	- -	- -	- -	- -	1,500
Southern Mahratta	- -	- -	- -	—95	61	22,500	40,000
Bengal Central	- -	- -	- -	- -	- -	—4,000	5,000
Exchange	- -	- -	- -	- -	—38,739	—38,037	—51,933
TOTAL £.	3,432,132	4,131,862	3,632,711	4,408,341	4,206,316	5,065,263	5,272,367

* The working of this line has been transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receives a percentage of the gross receipts.

APPENDIX IV.—*continued.*

TABLE IX.—GROSS EARNINGS, WORKING EXPENSES and NET EARNINGS of IRRIGATION MAJOR WORKS, and PROTECTIVE IRRIGATION WORKS, for Five Years ending 1884-85, with REVISED ESTIMATES for 1885-86, and BUDGET ESTIMATES for 1886-87.

	ACTUALS.					Revised Estimates,	Budget Estimates,
	1880-81.	1881-82.	1882-83.	1883-84.	1884-85.	1885-86.	1886-87.
DIRECT RECEIPTS:	£.	£.	£.	£.	£.	£.	£.
Orissa Canals	26,978	22,315	32,001	23,787	14,358	20,000	20,000
Midnapore Canal	21,646	25,007	26,801	26,457	25,796	24,500	24,500
Tidal Canal	5,449	4,729	4,503	6,359	4,351	5,500	5,500
Sone Canals	47,864	73,629	68,468	60,381	86,247	85,000	83,000
Ganges Canal	180,289	193,048	234,125	242,697	291,662	191,200	202,800
Lower Ganges Canal	102,828	141,379	157,833	151,441	169,434	135,800	118,000
Agra Canal	25,316	59,084	52,793	64,373	79,190	44,500	54,500
Eastern Jumna Canal	- -	73,918	83,545	76,452	79,374	57,400	73,200
Betwa Canal	- -	- -	- -	- -	- -	- -	6,400
Western Jumna Canal	91,013	120,125	115,949	139,240	160,237	96,300	117,000
Chenab Canal	- -	- -	- -	- -	- -	- -	500
Bari Doab Canal	107,492	112,869	109,429	100,354	105,421	120,000	117,500
Sirhind Canal	- -	- -	- -	22	3,249	11,700	43,000
Swat River Canal	- -	- -	- -	- -	- -	- -	2,500
Godavari Delta System	30,269	9,995	7,675	7,560	9,601	10,400	10,000
Kistna Delta System		3,956	4,073	3,356	3,300	2,940	3,000
Desert Canal		1,010	1,566	1,519	2,865	3,876	3,035
Begari Canal		1,850	3,531	3,117	3,456	5,243	2,813
Eastern Nara Works		2,012	2,057	2,193	1,804	2,242	2,270
Mutha Canals		14,160	12,461	15,834	14,069	13,990	14,430
Nira Canal		- -	- -	- -	- -	22	155
Other projects		6,713	13,272	11,439	20,612	16,719	17,104
TOTAL £.	639,144	865,799	930,982	936,581	1,075,026	847,332	921,207
PORTION OF LAND REVENUE DUE TO IRRIGATION:							
Ganges Canal	44,301	44,301	44,302	44,301	44,301	44,301	44,301
Lower Ganges Canal	20,783	20,783	20,783	20,783	20,783	20,783	20,783
Eastern Jumna Canal	- -	22,153	22,153	22,154	22,154	22,154	22,154
Western Jumna Canal	90,761	8,809	5,836	6,265	5,832	5,500	5,000
Bari Doab Canal	70,400	29,523	27,997	66,189	27,557	36,700	37,000
Godavari Delta System	571,074	157,072	146,845	153,262	160,678	163,400	165,775
Kistna Delta System		93,190	81,761	94,929	101,609	95,475	100,130
Sangam Anicut System		- -	- -	- -	- -	3,990	3,990
Desert Canal		10,026	8,645	8,534	10,834	13,950	13,130
Begari Canal		10,305	14,440	15,163	20,386	22,994	24,384
Eastern Nara Works		15,376	10,515	14,236	17,880	21,956	27,157
Other projects		84,682	85,804	88,310	33,804	86,337	91,489
TOTAL £.	797,319	491,220	469,081	534,126	465,818	537,540	555,293
TOTAL REVENUE:							
Orissa Canals	26,978	22,315	32,001	23,787	14,358	20,000	20,000
Midnapore Canal	21,646	25,007	26,801	26,457	25,796	24,500	24,500
Tidal Canal	5,449	4,729	4,503	6,359	4,351	5,500	5,500
Sone Canals	47,864	73,629	68,468	60,381	86,247	85,000	83,000
Ganges Canal	224,590	237,349	278,427	286,998	335,963	235,501	247,101
Lower Ganges Canal	123,611	162,162	178,616	172,224	190,217	156,583	138,783
Agra Canal	25,316	59,084	52,793	64,373	79,190	44,500	54,500
Eastern Jumna Canal	- -	96,071	105,698	98,606	101,528	79,554	95,354
Betwa Canal	- -	- -	- -	- -	- -	- -	6,400
Western Jumna Canal	181,774	123,934	121,785	145,505	166,069	101,800	122,000
Chenab Canal	- -	- -	- -	- -	- -	- -	500
Bari Doab Canal	177,892	142,392	137,426	166,543	132,978	156,700	154,500
Sirhind Canal	- -	- -	- -	22	3,249	11,700	43,000
Swat River Canal	- -	- -	- -	- -	- -	- -	2,500
Godavari Delta System	601,343	167,067	154,520	160,822	170,279	173,800	175,775
Kistna Delta System		97,146	86,734	98,285	104,909	98,415	103,130
Sangam Anicut System		- -	- -	- -	- -	3,990	3,990
Desert Canal		11,036	10,211	10,053	13,699	17,826	16,165
Begari Canal		12,155	17,971	18,280	23,842	28,237	27,197
Eastern Nara Works		17,388	12,572	16,429	19,684	24,198	29,427
Mutha Canals		14,160	12,461	15,834	13,752	13,990	14,430
Nira Canal		- -	- -	- -	- -	22	155
Other projects		91,395	99,076	99,749	54,733	103,056	108,593
TOTAL £.	1,436,463	1,357,019	1,400,063	1,470,707	1,540,844	1,384,872	1,476,500

APPENDIX IV.—*continued.*

TABLE IX.—EARNINGS AND EXPENSES OF WORKS OF IRRIGATION, &c.—*continued.*

	ACTUALS.					Revised Estimates,	Budget Estimates,
	1880–81.	1881–82.	1882–83.	1883–84.	1884–85.	1885–86.	1886–87.
	£.	£.	£.	£.	£.	£.	£.
WORKING EXPENSES:							
Orissa Canals	30,607	32,866	34,154	29,313	31,573	34,460	31,500
Midnapore Canal	18,922	22,847	23,808	21,565	22,317	20,540	20,500
Tidal Canal	2,559	2,868	4,057	4,658	3,689	4,900	4,100
Sone Canals	47,257	45,732	52,984	51,447	60,396	56,800	56,400
Ganges Canal	81,559	80,833	82,949	86,198	92,609	93,020	95,260
Lower Ganges Canal	40,992	50,101	63,215	64,751	82,154	76,574	82,540
Agra Canal	20,651	22,038	21,761	23,859	26,565	26,700	27,240
Eastern Jumna Canal	- -	17,287	19,917	19,564	19,164	20,275	21,890
Betwa Canal	- -	- -	- -	- -	- -	300	10,170
Western Jumna Canal	37,343	39,143	44,655	44,284	44,177	47,570	42,500
Chenab Canal	- -	- -	- -	- -	- -	- -	2,100
Bari Doab Canal	38,792	46,114	51,897	52,960	47,289	52,800	47,200
Sirhind Canal	- -	- -	- -	1,653	14,022	20,760	22,600
Swat River Canal	- -	- -	- -	- -	- -	2,200	3,000
Godavari Delta System		29,710	31,583	38,243	50,476	47,503	42,000
Kistna Delta System		24,307	27,217	27,922	27,691	29,474	31,200
Sangam Anicut System		- -	- -	- -	- -	521	2,800
Desert Canal		1,266	1,173	2,040	3,149	2,034	2,910
Begari Canal	106,791	4,936	7,066	5,549	5,835	5,762	6,410
Eastern Nara Works		5,143	5,602	5,903	6,488	6,745	5,905
Mutha Canals		6,224	5,795	5,961	6,831	6,288	6,280
Nira Canal		- -	- -	- -	- -	1,519	3,125
Other projects		23,620	24,103	28,967	26,998	36,463	44,040
TOTAL £.	425,473	455,635	501,936	514,837	571,423	593,208	611,670
NET REVENUE:							
Orissa Canals	—3,629	—10,551	—2,153	—5,526	—17,215	—14,460	—11,500
Midnapore Canal	2,724	2,160	2,993	4,892	3,479	3,960	4,000
Tidal Canal	2,890	1,861	446	1,701	662	600	1,400
Sone Canals	607	27,897	15,484	8,934	25,851	28,200	26,600
Ganges Canal	143,031	156,516	195,478	200,800	243,354	142,481	151,841
Lower Ganges Canal	82,619	112,061	115,401	107,473	108,063	80,009	56,243
Agra Canal	4,665	36,446	31,032	40,514	52,625	17,800	27,260
Eastern Jumna Canal	- -	78,784	85,781	79,042	82,364	59,279	73,464
Betwa Canal	- -	- -	- -	- -	- -	—300	—3,770
Western Jumna Canal	144,431	84,791	77,190	101,221	121,892	54,230	79,500
Chenab Canal	- -	- -	- -	- -	- -	- -	—1,600
Bari Doab Canal	139,100	96,278	85,529	113,583	85,689	103,900	107,300
Sirhind Canal	- -	- -	- -	—1,631	—10,773	—9,060	20,400
Swat River Canal	- -	- -	- -	- -	- -	—2,200	—500
Godavari Delta System		137,357	122,937	122,579	119,803	126,297	133,775
Kistna Delta System		72,839	59,517	70,363	77,218	68,941	71,930
Sangam Anicut System		- -	- -	- -	- -	3,469	1,190
Desert Canal		9,770	9,038	8,013	10,550	15,792	13,255
Begari Canal	494,552	7,219	10,905	12,731	18,007	22,475	20,787
Eastern Nara Works		12,245	6,970	10,526	13,196	17,453	23,522
Mutha Canals		7,936	6,666	9,873	6,921	7,702	8,150
Nira Canal		- -	- -	- -	- -	—1,497	—2,970
Other projects		67,775	74,973	70,782	27,735	66,593	64,553
TOTAL £.	1,010,990	901,384	898,127	955,870	969,421	791,664	864,830

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS.

TABLE X.—ABSTRACT OF BUDGET ESTIMATES OF CAPITAL TRANSACTIONS OF GUARANTEED RAILWAYS, 1885-86 AND 1886-87.

RAILWAYS.	AMOUNT IN RUPEES.			AMOUNT OF EXCHANGE.			AMOUNT IN POUNDS STERLING.		
	1885-86.		Budget, 1886-87.	1885-86.		Budget, 1886-87.	1885-86.		Budget, 1886-87.
	Budget.	Revised.		Budget.	Revised.		Budget.	Revised.	
GUARANTEED RAILWAYS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	£.	£.	£.
RECEIPTS.									
Madras	19,50,000	18,50,000	50,50,000	1,63,000	1,54,000	4,21,000	178,700	169,600	462,900
South Indian	11,20,000	13,00,000	12,75,000	47,000	54,000	53,000	107,300	124,600	122,200
Bombay, Baroda, and Central India	24,00,000	27,00,000	27,50,000	2,00,000	2,25,000	2,29,000	220,000	247,500	252,100
Great Indian Peninsula	75,00,000	74,00,000	75,00,000	6,25,000	6,17,000	6,25,000	687,500	678,300	687,500
Oudh and Rohilkhand	16,00,000	17,20,000	16,00,000	- -	- -	- -	160,000	172,000	160,000
Sind, Punjab, and Delhi	28,30,000	27,50,000	- -	2,36,000	2,29,000	- -	259,400	252,100	—
TOTAL	1,74,00,000	1,77,20,000	1,81,75,000	12,71,000	12,79,000	13,28,000	1,612,900	1,644,100	1,684,700
ADVANCES.									
Madras	14,50,000	15,00,000	18,90,000	1,21,000	1,25,000	1,58,000	132,900	137,500	173,200
South Indian	9,80,000	8,00,000	10,25,000	41,000	33,000	43,000	93,900	76,700	98,200
Bombay, Baroda, and Central India	22,50,000	21,00,000	24,00,000	1,88,000	1,75,000	2,00,000	206,200	192,500	220,000
Great Indian Peninsula	50,00,000	44,00,000	45,00,000	4,17,000	3,67,000	3,75,000	458,300	403,300	412,500
Oudh and Rohilkhund	57,00,000	50,00,000	44,00,000	- -	- -	- -	570,000	500,000	440,000
Sind, Punjab, and Delhi	19,30,000	19,00,000	- -	1,61,000	1,58,000	- -	176,900	174,200	—
TOTAL	1,73,10,000	1,57,00,000	1,42,15,000	9,28,000	8,58,000	7,76,000	1,638,200	1,484,200	1,343,900
NET RECEIPTS.									
Madras	5,00,000	3,50,000	31,60,000	42,000	29,000	2,63,000	45,800	32,100	289,700
South Indian	1,40,000	5,00,000	2,50,000	6,000	21,000	10,000	13,400	47,900	24,000
Bombay, Baroda, and Central India	1,50,000	6,00,000	3,50,000	12,000	50,000	29,000	13,800	55,000	32,100
Great Indian Peninsula	25,00,000	30,00,000	30,00,000	2,08,000	2,50,000	2,50,000	229,200	275,000	275,000
Oudh and Rohilkhund	-41,00,000	-32,80,000	-28,00,000	- -	- -	- -	—410,000	—328,000	—280,000
Sind, Punjab, and Delhi	9,00,000	8,50,000	- -	75,000	71,000	- -	82,500	77,900	—
TOTAL	90,000	20,20,000	39,60,000	3,43,000	4,21,000	5,52,000	—25,300	159,900	340,800
SUBSIDIZED RAILWAYS.									
RECEIPTS.									
Capital received in India:									
Southern Mahratta	28,000	1,500	27,000	5,000	250	4,500	2,300	125	2,250
Indian Midland	—	—	—	—	—	—	—	—	—
Gain on Remittances to India:									
Southern Mahratta	- -	- -	- -	1,54,000	1,36,000	2,67,000	—15,400	—13,600	—26,700
Indian Midland	- -	- -	- -	- -	47,000	3,33,300	- -	—4,700	—33,330
TOTAL	28,000	1,500	27,000	1,59,000	1,83,250	6,04,800	—13,100	—18,175	—57,780
WITHDRAWALS.									
Southern Mahratta	1,04,68,000	87,50,000	93,43,000	17,45,000	14,58,000	15,57,000	872,300	729,200	778,600
Indian Midland	- -	82,50,000	1,62,30,000	- -	16,50,000	32,46,000	- -	660,000	1,298,400
TOTAL	1,04,68,000	1,70,00,000	2,55,73,000	17,45,000	31,08,000	48,03,000	872,300	1,389,200	2,077,000
Net Withdrawals	1,04,40,000	1,69,98,500	2,55,46,000	15,86,000	29,24,750	41,98,200	885,400	1,407,375	2,134,780
GUARANTEED AND SUBSIDIZED RAILWAYS.									
Net Withdrawals	1,03,50,000	1,49,78,500	2,15,86,000	12,43,000	25,03,750	36,46,200	910,700	1,247,475	1,793,980

RETURN.

EAST INDIA
(FINANCIAL STATEMENT, 1886-87).

Ordered, by The House of Commons, *to be Printed,*
31 *May* 1886.

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EAST INDIA (HOME ACCOUNTS).

HOME ACCOUNTS

OF THE

GOVERNMENT OF INDIA.

(Presented pursuant to the Act 21 & 22 Vict. c. 106.)

Ordered, by The House of Commons, *to be Printed*, 14 *May* 1886.

LIST.

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India Office,
11 May 1886.

J. A. GODLEY,
Under Secretary of State for India.

No. 1. - - - - - - - - - - -

ACCOUNT of the RECEIPTS and DISBURSEMENTS of the HOME TREASURY

RECEIPTS.

	£. s. d.	£. s. d.	£. s. d.
Balance on the 1st April 1884 - - -			4,113,221 – 7
REVENUE:			
FOREST:			
Receipts from Students for the Indian Forest Department, on account of their Expenses at the Forest School at Nancy - - - - -		£. s. d. 1,768 – –	
INTEREST:			
Interest realised from investment of Cash Balance - - - - - - -	£. s. d. 31,100 8 3		
Deduct—Interest derived from Sums deposited by the Bengal Central Railway Company for fixed periods, brought to account under "Railways—Subsidized Companies" - - - - - -	37 11 11		
		31,062 16 4	
Interest on India Debt, remaining unclaimed for 10 years, repaid by the Bank of England and Bank of Ireland		818 14 1	
Unclaimed Dividends on East India Stock, repaid by the Bank of England, pursuant to Act 36 Vict. c. 17, s. 27 - - - - - - - - - -		2 9 5	
		31,883 19 10	
Premium realised on the sale of 95,000 *l.* India 3½ per Cent. Stock - - - - - - - - -		3,028 2 6	
			34,912 2 4
TELEGRAPH:			
Indo-European Telegraph - - - - - - - - - -			*23,429 18 6
MINT:			
Proceeds of Sales of Indian Coins sent to this Country for Assay - -			20 6 6
MEDICAL:		£. s. d.	
Royal India Lunatic Asylum, Ealing:			
Pay, Pensions, &c. of Inmates appropriated to their Maintenance -	£. s. d. 2,278 17 5		
Sale of Farm Produce, &c. - -	89 5 3		
		2,368 2 8	
On account of the Maintenance of a Lunatic in Broadmoor Asylum, &c. - - - - - - - -		92 10 4	
			2,460 13 –
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:			
Sale Proceeds of Books, Maps, &c. - - - - - - - - -			612 15 6
RECEIPTS IN AID OF SUPERANNUATION ALLOWANCES AND PENSIONS:			
Subscriptions, &c., to the Widows' Funds of the Home Establishment of the East India Company - -		9,785 3 9	
Subscriptions to the Bengal Civil Service Annuity Fund, the Bombay Civil Fund, the Indian Military and Medical Funds, and the Indian Navy Fund:			
	£. s. d.		
Bengal Civil Service Annuity Fund	1,919 19 8		
Bombay Civil Fund: Provident Branch - - - - - -	1,191 5 11		
Bengal Military Orphan Society -	23,243 15 2		
Bengal Military Fund - - -	32,128 10 11		
Madras - ditto - - -	17,189 9 2		
Bombay - ditto - - -	11,114 10 9		
Madras Medical Fund - - -	84 12 2		
Indian Navy Fund - - -	1,363 13 3		
		88,235 17 –	
			98,021 – 9
Carried forward - - - £.			161,224 16 7	4,113,221 – 7

* This sum is the balance of receipts and payments in England in respect of messages conveyed, the total receipts on this account having been reduced by payments to the Eastern Telegraph Company and the Indo-European Telegraph Company, amounting to 10,777 *l.* 0 *s.* 5 *d.*, due to them under the Common Purse arrangement.

No. 1.

of the GOVERNMENT of *India*, from 1st April 1884 to 31st March 1885.

DISBURSEMENTS.

EXPENDITURE:

	£. s. d.	£. s. d.
LAND REVENUE:		
Law Charges in connection with Appeals from India, a portion of which is recoverable in India	168 18 8	
Stores for India: For use in the Revenue Survey, &c.	243 11 7	
		412 10 3
OPIUM:		
Stores for India: For the Behar and Benares Opium Agencies	- - -	3,304 11 8
SALT:		
Stores for India: Levelling Instruments for the Salt Department, Madras	- - -	72 15 3
STAMPS:		
Stores for India	- - -	45,528 6 9
EXCISE:		
Stores for India: Saccharometers, &c.	- - -	41 10 11
FOREST:		
Allowances to successful Candidates for the Indian Forest Department; Passages to India on appointment; Fees to Professors for Instruction, &c.	- - -	3,880 16 –

INTEREST ON DEBT (EXCLUDING THAT CHARGED ON PAGE 13, TO RAILWAYS):	£. s. d.		
Interest on Loans contracted in England:†			
India 4 per Cent. Stock	1,936,740 7 8		
India 3½ per Cent. Stock	122,668 11 5		
India 3 per Cent. Stock	67,499 4 2		
India 5 per Cent. Stock (prior to 5th July 1880)	597 6 2		
India Debentures	247,000 2 3		
Temporary Loans	3,143 16 7		
		2,377,649 8 3	
Interest on the Indian Transfer Loan of 22nd April 1854		45,306 5 9	
		2,422,955 14 –	
Discount on the issue of 3,000,000 *l.* India 3 per Cent. Stock		184,184 1 6	
Commission on renewals of India Debentures		2,547 10 –	
			2,609,687 5 6
INTEREST ON OTHER OBLIGATIONS:			
Interest on the Balance of the India Office Provident Fund		1,116 12 6	
Interest on Deposits in Regimental Savings Banks of men returned from India		1,853 12 4	
			2,970 4 10
POST OFFICE:			
Payments under the Postal arrangement with the Lords of Her Majesty's Treasury		70,000 – –	
Subsidy to the Euphrates and Tigris Steam Navigation Company, on account of the Mail Service between Bussorah and Bagdad (to 30th April 1884)		1,200 – –	
Deputation allowance of the Representative of British India at the Postal Congress at Lisbon, &c.		969 17 9	
		72,169 17 9	
Stores for India		44,628 4 7	
			116,798 2 4
Carried forward		£.	2,782,696 3 6

† Total Interest on Loans contracted in England:—

	£. s. d.
India 4 per Cent. Stock	2,136,670 6 7
India 3½ per Cent. Stock	183,813 2 8
India 3 per Cent. Stock	69,194 11 10
India 5 per Cent. Stock (prior to 5th July 1880)	597 6 2
India Debentures	247,000 2 3
Temporary Loans	3,143 16 7
East Indian Railway Debenture Stock	66,124 18 11
Eastern Bengal Railway Debentures and Debenture Stock	24,431 – 5
£.	2,730,975 5 5

Charged in the Account as follows:—

	£. s. d.
Under Interest on Ordinary Debt (as above)	2,377,649 8 3
Under Railway Revenue Account (page 13): State Railways—Interest on Debt	353,325 17 2
£.	2,730,975 5 5

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

		£. s. d.	£. s. d.
Brought forward - - -	- - -	161,224 16 7	4,113,221 – 7
RECEIPTS—*continued.*			
REVENUE—*continued.*			
MISCELLANEOUS:	£. s. d.		
East India Stock; Capital Stock of the East India Company: Repayment by the Bank of England of Redemption Money unclaimed - - - - -	1,725 1 4		
From the Commissioners of Income Tax: Allowance in respect of the assessments of Income Tax made at the India Office - - - - - - - - -	760 17 6		
Balance of the escheated Estate of an illegitimate person who died in India intestate - - - - -	2,703 1 10		
Miscellaneous Fees, &c. - - - - - - -	904 12 11		
Sale Proceeds of Waste Paper and receipts on sundry Accounts - - - - - - - - -	264 18 5		
	6,358 12 –		
Miscellaneous Receipts connected with the Supply of Stores to India:	£. s. d.		
Recoveries in respect of Marine Insurance, Sale Proceeds of Stores recovered from Wrecks, &c. -	601 11 3		
Fines and Penalties incurred by Contractors in providing Stores and Freight (less refunds) - -	1,098 19 7		
Recoveries on account of detention of Lighters, &c. - - -	430 1 9		
Sale Proceeds of Sawdust, and Miscellaneous Recoveries - -	48 – 6		
Repayment of Expenses incurred in respect of Malt Liquor and other Stores provided for the Imperial Government - - - - -	174 18 11		
Rent of Wharf adjoining the India Store Depôt, and the proportion of Rates and Taxes chargeable thereon - - - - - -	351 12 9		
	2,705 4 9		
		9,063 16 9	
RAILWAYS:			
STATE RAILWAYS:			
East Indian Railway: Rent of Premises occupied by the Company - - - - - - -	230 – –		
SUBSIDIZED COMPANIES:	£. s. d.		
Bengal Central Railway: Interest realised from Investment of Sums deposited by the Company for fixed periods (37 *l.* 11 *s.* 11 *d.*) and Receipts from the Company, taken in Reduction of their Debt for Advances of Interest - - -	202 6 6		
Rohilkund and Kumaon Railway: Receipt from the Company, taken in reduction of their Debt for Advances of Interest - - -	295 – –		
	497 6 6		
		727 6 6	
BUILDINGS AND ROADS:			
CIVIL WORKS AND MISCELLANEOUS SERVICES:			
Royal Indian Engineering College:			
Fees and Caution Money received from Students -	17,368 – –		
Sale of Provisions, Farm Produce, &c. - -	851 2 –		
		18,219 2 –	
Carried forward - - - £.		189,235 1 10	4,113,221 – 7

of the Government of *India*, from 1st April 1884 to 31st March 1885—*continued.*

	£. s. d.	£. s. d.
Brought forward - - -	- - -	2,782,696 3 6
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
TELEGRAPH:		
Indo-European Telegraph - - - - - - - - - -	24,250 - 10	
Red Sea and India Telegraph: Moiety of Annuity (terminating in 1908) payable to Shareholders of the late Red Sea and India Telegraph Company, under Act 25 & 26 Vict. c. 39 - - - - - - -	18,027 - -	
Indian Telegraph Department:		
Absentee Allowances - - - - - - - - - -	5,192 19 11	
Passages to India of Officers of the Department on appointment; Special Pay and Expenses of Officers while studying the working of Telegraph Instruments; Share of Expenses of International Telegraph Office at Berne, &c. - - - - - - - - - -	274 14 4	
	47,744 15 1	
Telegraph Lines in India—Stores for India - - - - - -	132,782 5 1	
		180,527 - 2
MINT:		
Cost of Assay of Indian Coins - - - - - - - - -	18 2 6	
Deputation Allowance of an Officer while inspecting Machinery for the Bombay Mint - - - - - - - - - - - -	80 17 9	
	99 - 3	
Stores for India - - - - - - - - - - - -	9,697 12 11	
		9,796 13 2
GENERAL ADMINISTRATION:		
England:	£. s. d.	
Salaries of the Secretary of State, Under Secretaries of State, Members of the Council of India, Secretaries and Officers of the Secretary of State for India in Council, Assistant Military Secretary to His Royal Highness the Commander in Chief and Clerk, Consulting Officer for the Indian Troop Service, two Members of the London Medical Board, &c. - -	137,458 5 7	
Auditor and Assistants, under Act 21 & 22 Vict. c. 106, s. 52 - - - - - - - - - -	5,853 16 -	
Store Department: Wages of Labourers, Cartage, Fees to Surveyors, Ground Rent of Premises, Rates and Taxes, Repairs, Supplies, &c. - - - - -	24,994 3 11	
Law Charges - - - - - - - - - -	995 11 11	
Bank of England and Bank of Ireland for Management of Debt - - - - - - - - - -	29,326 6 8	
Postage of Despatches to and from India - - -	4,086 8 8	
Telegrams to India - - - - - - - -	6,701 11 9	
Office Contingencies: Rates, Taxes, Coals, Gas, Candles, Furniture and Repairs, Stamps, Advertisements, Inland Postage and Telegrams, Pay of Police, Messengers' Uniforms, and various petty Charges - -	11,705 3 6	
		221,121 8 -
India:		
Expenses incurred in bringing the Marquis of Ripon and his Suite home from India - - - - -	2,268 6 2	
Passage and Outfit Allowance of the Governor General of India, and the Governor of Bombay, and Members of their Staffs - - - - - - - - -	5,185 12 -	
Deputation Allowance of the Comptroller General while in England in connection with the Parliamentary Committee on Indian Railways - - -	793 12 3	
Expenses incurred in the Codification of the Law of Torts - - - - - - - - - -	315 - -	
Books and Newspapers supplied to India, not invoiced as Stores - - - - - - - - - -	833 5 -	
		9,395 15 5
		230,517 3 5
Stores for India: Currency Notes, &c. - - - - - - -		4,412 13 3
		234,929 16 8
Carried forward - - - £.		3,207,949 13 6

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£. s. d.	£. s. d.	£. s. d.
Brought forward - - -	- - -	189,235 1 10	4,113,221 – 7
RECEIPTS—*continued.*			
REVENUE—*continued.*			
ARMY:			
Effective.			
Value of Clothing, Accoutrements, &c., in possession of Regiments on their transfer from the Indian to the British Establishment; and Proceeds of Sales of unserviceable Military Stores, &c.:			
Clothing and Necessaries - - 7,405 17 8			
Ordnance and Miscellaneous - 3,444 9 7			
	10,850 7 3		
Indian Troop Service: Receipts from the Admiralty, Recoveries on account of Messing, &c. - - -	53,381 5 5		
Passage of Officers and Troops: Recoveries on account of Messing - - - - - - - - -	186 11 8		
Discharge Purchase Money - - - - -	18 – –		
	64,436 4 4		
Non-Effective.			
Sums recovered in respect of Advances made to the War Office, in excess of the amount of Indian Pensions paid through that Department - - 118 9 8			
Subscriptions towards Indian Service Family Pensions - - - - 3,164 7 5			
	3,282 17 1		
		67,719 1 5	
Carried forward - - - £.		256,954 3 3	4,113,221 – 7

of the Government of *India*, from 1st April 1884 to 31st March 1885—*continued.*

	£. s. d.	£. s. d.
Brought forward - - -	- - -	3,207,949 13 6
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
LAW AND JUSTICE:		
Passage and Outfit Allowance of the Chief Justice of the High Court of the North Western Provinces - - - -	800 – –	
Salary of Privy Council Reporter under the arrangement made by the Government of India for the publication of Law Reports - - - - - - - - - - -	150 – –	
	950 – –	
Stores for India: Reports of Indian Appeal Cases for 1884 -	134 9 2	
		1,084 9 2
MARINE:		
Contribution towards the Expenses of Her Majesty's Ships employed in the Indian Seas - - - - - - -	79,065 11 6	
Pay and Passages of Naval Officers, of Leadsman Apprentices in the Bengal Pilot Service, &c. - - - - - -	1,585 – 7	
Expenses incurred in connection with the repair in this country of the Indian Government Steamer "Tenasserim" - -	15,047 17 2	
Provisions, Seamen's Clothing, &c., supplied to the Indian Government Steamer "Clive"; Suez Canal Dues, Coaling, and other Expenses on her outward voyage after bringing home Troops - - - - - - - - - -	1,382 9 6	
	97,080 18 9	
Stores for India - - - - - - - - - -	57,574 18 8	
		154,655 17 5
EDUCATION:		
Passage to India of Educational Officers on appointment, &c. -	- - -	279 10 –
ECCLESIASTICAL:		
Passage to India of Chaplains on appointment - - - -	- - -	512 5 –
MEDICAL:		
Royal India Lunatic Asylum, Ealing: Salaries and Allowances of the Staff, Board and Clothing of the Lunatics, and other Expenses - - - - - - - - - - -	6,664 1 11	
Maintenance of Lunatics elsewhere than in the Royal India Lunatic Asylum - - - - - - - - - -	396 5 2	
Expenses attending the Deputation sent to India to conduct investigations regarding Cholera, &c. - - - - -	819 16 3	
		7,880 3 4
POLITICAL:		
Mission to the Court of Persia - - - - - - -	10,000 – –	
Her Majesty's Establishments in China - - - - - -	15,000 – –	
Expenses in connection with the Afghan Boundary Commission	3,062 1 10	
Deputation Allowance and Expenses of Delegate to Lisbon for the Goa Treaty, Contribution towards the Expenses of the Jeddah Consulate, &c. - - - - - - - - -	2,745 – 11	
	30,807 2 9	
Stores for India: Presentation Articles, &c. - - - -	1,180 15 6	
		31,987 18 3
Carried forward - - - £.		3,404,349 16 8

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -	256,954	3	3	4,113,221	–	7
RECEIPTS—*continued.*						
Carried forward - - - £.	256,954	3	3	4,113,221	–	7

of the Government of *India*, from 1st April 1884 to 31st March 1885—*continued.*

	£. s. d.	£. s. d.
Brought forward - - -	- - -	3,404,349 16 8
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:		
Objects of a Literary, Scientific, or Antiquarian Character -	1,684 10 2	
Expenses attending the preparation of a new Edition of the "Imperial Gazetteer of India" - - - - - - -	497 7 11	
Deputation Allowance of Officers of the Surveyor General's Department, while employed on Indian Pendulum Observations - - - - - - - - - - -	1,399 17 2	
Salary of Dr. W. Waagen from 1st January to 31st December 1884, while engaged on Palæontological Work for the Geological Survey - - - - - - - - - -	300 - -	
Contingent Expenses of the India Museum Collection at Kew	396 5 8	
Expenses in connection with the International Forestry Exhibition at Edinburgh - - - - - - - -	630 11 2	
Preparation of Tide Tables for Indian Ports - - - -	588 16 9	
Maps relating to India - - - - - - - -	45 5 -	
Expenses in connection with the Indian Department at the Amsterdam Exhibition of 1883 - - - - - -	15 8 2	
Remuneration to several Officers and others specially employed, and Miscellaneous Expenditure - - - - - -	1,767 6 -	
	7,325 8 -	
Stores for India - - - - - - - - - - -	8,491 16 -	
		15,817 4 -
TERRITORIAL AND POLITICAL PENSIONS:		
His Highness Maharajah Duleep Singh - - - - -	21,064 12 10	
His Highness Nawab Nazim Syed Munsoor Ali (to 4th November 1884, date of his death) - - - - - -	7,609 11 8	
Nawab Syed Ahmed Ali - - - - - - - -	200 - -	
		28,874 4 6
CIVIL FURLOUGH AND ABSENTEE ALLOWANCES:		
Covenanted Civil Service - - - - - - - -	94,202 1 7	
Military Officers in Civil employ - - - - - -	67,332 19 -	
Uncovenanted Service - - - - - - - - -	35,010 18 5	
Bengal Pilot Service - - - - - - - - -	1,728 15 -	
		198,274 14 -
SUPERANNUATION ALLOWANCES AND PENSIONS:		
Pensions for Distinguished and Meritorious Services - - -	11,632 7 1	
Pensions on Retirement of Officers of the following Classes:		
Home Service, Ordinary - - - - - - - -	18,659 3 10	
Ditto - on Reduction of Staff - - - -	27,485 3 6	
Judges of the High Courts in India - - - - -	30,586 3 2	
Uncovenanted Service of India - - - - - -	83,146 15 3	
Bengal Pilot Service - - - - - - - - -	7,575 6 7	
Pensions of Officers, &c., of Establishments of the late East India Company, now abolished:		
Officers, &c., of the Home Establishment, of the China and other Foreign Establishments, and of the Maritime Service, pensioned on the Abolition of the Commercial Charter in 1834 - - - - - - £. s. d. 8,716 4 7		
Professors, &c., at Addiscombe and Haileybury, and Recruiting Staff at Warley, &c. 4,871 7 8		
Officers of the late Indian Navy - - 23,191 8 6		
Poplar Fund Pensions - - - - 128 19 -		
	36,907 19 9	
Carried forward - - - £.	215,992 19 2	3,647,315 19 2

No. 1.—An Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -	256,954	3	3	4,113,221	–	7
RECEIPTS—*continued.*						
Carried forward - - - £.	256,954	3	3	4,113,221	–	7

of the Government of *India*, from 1st April 1884 to 31st March 1885—*continued.*

	£. s. d.	£. s. d.
Brought forward - - -	215,992 19 2	3,647,315 19 2
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
SUPERANNUATION ALLOWANCES AND PENSIONS—*continued.*		
Pensions of Widows and Families of Officers of the Home Service, from Funds (established by the East India Company) to which the Officers subscribed - - - - - - - - -	22,141 12 7	
Pensions of Widows and Families of Officers of the Bengal Pilot Service, towards which the Officers subscribed - - -	5,666 15 -	
Compassionate and Miscellaneous Pensions - - - - -	5,536 4 -	
	249,337 10 9	
Annual Donation to the Bengal Civil Fund - - - -	2,500 - -	
Annual Donation to the India Office Provident Fund - - -	1,000 - -	
Gratuities - - - - - - - - - - - -	65 - -	
Gratuities granted on retirement to Members of the Uncovenanted Service of India - - - - - - - - - -	1,208 - 10	
Relief to Distressed Natives of India - - - - - - -	27 17 4	
Subscriptions to Charities (Strangers' Home for Asiatics, Seamen's Hospital Society, and Soldiers' Daughters' Home) - - -	355 - -	
Annuities, Pensions, and Allowances payable in respect of the Indian Civil Service Annuity, Military, and Medical Funds, the Bombay Civil Fund, and the Indian Navy Fund:		
Bengal Civil Service Annuity Fund - (£. s. d.) 258,736 14 4		
Madras Civil Service - ditto - - 94,519 19 11		
Bombay Civil Fund: Annuity Branch - 66,941 14 4		
Bombay Civil Fund: Provident Branch 36,997 15 11		
Bengal Military Orphan Society - - 63,938 9 9		
Bengal Military Fund - - - - 197,936 4 7		
Madras - ditto - - - - 186,913 3 4		
Bombay - ditto - - - - 108,222 2 4		
Bengal Medical Retiring Fund - - 43,518 19 8		
Madras Medical Fund - - - - 80,528 14 10		
Bombay Medical Retiring Fund - - 9,833 2 4		
Indian Navy Fund - - - - 16,160 13 9		
	1,164,247 15 1	
		1,418,741 4 -
STATIONERY AND PRINTING:		
Stationery, Printing, and Bookbinding for the India Office, &c.	3,778 6 11	
Stores for India - - - - - - - - - -	125,830 - 2	
		129,608 7 1
Carried forward - - - £.		5,195,665 10 3

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

RECEIPTS—*continued.*

	£.	s.	d.
Brought forward - - - -	256,954	3	3
	4,113,221	–	7

	East Indian Railway.			Eastern Bengal Railway.			Total.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.
STATE RAILWAYS—ANNUITIES IN PURCHASE OF RAILWAYS (INCLUDING SINKING FUNDS):									
Interet in lieu of Deferred Annuity:									
Interest at 4 per cent. per annum on 6,550,000 *l.* (being one-fifth of the commuted value of the Capital Stock of the East Indian Railway Company), the proprietors of which availed themselves of the option of deferring payment of the portion of the Annuity to which they were entitled - - - - - - - - - -	262,000	–	–	—					
Annuities:									
Annuity terminating in 1953, at the rate of 5 *l.* 12 *s.* 6 *d.* for 100 *l.* Stock of the Company - - - - - -	883,505	6	9	—					
„ „ 1957 „ „ 6 *l.* 3 *s.* 4·79 *d.* „ „ „ (1st July to 30th September 1884) - - - - - - - - - -

of the Government of *India*, from 1st April 1884 to 31st March 1885—*continued.*

	£. s. d.	£. s. d.
Brought forward - - -	- - -	5,195,665 10 3
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
MISCELLANEOUS:		
Examination Expenses and Allowances of Candidates for the Covenanted Civil Service of India - - - - - -	15,128 17 3	
Cost and repairs of Insignia of the Orders of the "Star of India" and "Crown of India" - - - - - - - -	257 1 6	
Composition in lieu of Stamp Duty on India Bonds and Debentures - - - - - - - - - - - -	337 10 –	
Grant towards the proposed Statue of the late Lieutenant Waghorn - - - - - - - - - -	100 – –	
Grant for services in connection with Petroleum testing - -	410 – –	
Sundries - - - - - - - - - - - -	11 17 9	
Miscellaneous Charges connected with the Supply of Stores to India:	16,245 6 6	
Marine Insurance, Cost of Stores lost, General Average, &c. - - - £. 10,013 1 7		
Lighterage, Dock Dues, Packing, &c. 5,657 1 5		
	15,670 3 –	
		31,915 9 6
RAILWAY REVENUE ACCOUNT:		
STATE RAILWAYS—INTEREST ON DEBT: (*See* details on opposite page.)		
East Indian Railway - - - - £. 326,907 13 6		
Eastern Bengal Railway - - - - 26,418 3 8		
	353,325 17 2	
STATE RAILWAYS—ANNUITIES IN PURCHASE OF RAILWAYS (INCLUDING SINKING FUNDS: (*See* Details on opposite page.)		
East Indian Railway - - - - - £. 1,185,421 7 6		
Eastern Bengal Railway (1st July to 30th September 1884) - - - - 35,161 6 7		
	1,220,582 14 1	
GUARANTEED COMPANIES—INTEREST:		
Bombay, Baroda, and Central India Railway - - - - - - - - 389,763 16 5		
Eastern Bengal Railway (to 30th June 1884) - - - - - - - 67,483 5 11		
Great Indian Peninsula Railway - - 1,156,123 18 8		
Madras Railway - - - - - 521,991 5 2		
Oude and Rohilkund Railway - - - 325,683 16 9		
Scinde, Punjab, and Delhi Railway - - 553,302 – –		
South Indian Railway - - - - 202,891 9 6		
	3,217,239 12 5	
SUBSIDIZED COMPANIES—ADVANCES OF INTEREST:		
Bengal Central Railway - - - - £. 29,674 15 9		
Rohilkund and Kumaon Railway - - 6,720 – –		
	36,394 15 9	
		4,827,542 19 5
IRRIGATION:		
MINOR WORKS AND NAVIGATION: Stores for India - - - - - - -		65 6 1
Carried forward - - - £.		10,055,189 5 3

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -	256,954	3	3	4,113,221	–	7
RECEIPTS—*continued.*						
Carried forward - - - £.	256,954	3	3	4,113,221	–	7

of the Government of *India*, from 1st April 1884 to 31st March 1885 —*continued.*

	£. s. d.	£. s. d.	£. s. d.
Brought forward - - -			10,055,189 5 3
DISBURSEMENTS—*continued.*			
EXPENDITURE—*continued.*			
BUILDINGS AND ROADS:			
MILITARY WORKS: Stores for India - - - - - - - -		5,070 13 2	
CIVIL WORKS AND MISCELLANEOUS SERVICES:		£. s. d.	
Royal Indian Engineering College:	£. s. d.		
Salaries of President, Professors, &c.; Wages of Servants; Provisions, and Contingent Expenses - -	20,712 12 6		
Refund of Caution Money to Students	198 – 3		
	20,910 12 9		
Cost of alterations and additions to the College Buildings - -	592 17 –		
		21,503 9 9	
Salaries and Expenses, while gaining practical experience in their profession, of Students retained in this country after having passed out of the Royal Indian Engineering College - - - - - - - - -		2,811 16 11	
Passage to India of Officers on Appointment - -		545 – –	
Furlough Pay and Allowances of Military Officers in the Public Works Department - - - - -		15,479 19 5	
Absentee Allowances of Civil Officers in the Public Works Department - - - - - - -		23,668 17 8	
Salaries and Expenses of Native Officers of the Public Works Department while undergoing practical training in this country, and return passages to India -		1,244 18 5	
Expenses of Officers of the Public Works Department visiting Works, &c. - - - - - - -		28 12 4	
		65,282 14 6	
Stores for India - - - - - - - -		1,016 17 7	
			66,299 12 1
			71,370 5 3
ARMY:			
Effective:			
Payments to the Imperial Government on account of Disbursements by the War Office in the year 1884-85, in respect of Her Majesty's British Forces serving in India - - -	£. s. d. 530,000 – –		
Sum brought to account in adjustment of Credits to the Indian Troop Service, included in the Army Effective Accounts with the War Office - - - - - - -	3,269 4 4		
		533,269 4 4	
Furlough Allowances of Officers of the Indian Service -		164,105 11 10	
Furlough Allowances of Officers of British Regiments serving in India - - - - - - - -		69,695 18 8	
Advances to Regiments proceeding to India - - -		4,707 12 6	
Pay and Allowances during Voyage, of Regiments returning from India - - - - - - -		3,678 5 9	
Indian Troop Service - - - - - - - -		354,228 17 –	
Passage of Officers and Troops otherwise than in Troop Ships - - - - - - - - - -		4,288 1 8	
Outfit Allowance to Officers on their promotion to Commissioned Rank - - - - - - -		600 – –	
Purchase of Stallions - - - - - - - -		10,316 13 7	
Carried forward - - - £.		1,144,890 5 4	- - - 10,126,559 10 6

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -	256,954	3	3	4,113,221	-	7
Receipts—*continued.*						
Total Receipts on Account of Revenue - - - - -				256,954	3	3
Carried forward - - - £.				4,370,175	3	10

of the Government of *India*, from 1st April 1884 to 31st March 1885—*continued*.

	£. s. d.	£. s. d.	£. s. d.
Brought forward - - -	1,144,890 5 4	- - -	10,126,559 10 6
DISBURSEMENTS—*continued*.			
EXPENDITURE—*continued*.			
ARMY—*continued*.			
Effective—continued.			
Pay and Allowances of Surgeons on appointment, &c. -	2,452 6 7		
Expenses incurred by Officers acquiring Scientific Knowledge - - - - - - - - - -	786 6 3		
Freight from India of unserviceable Military Stores, &c.	145 9 8		
Pay of Lieutenant Colonel F. Weldon while in this country in connection with the manufacture of his Range-finder - - - - - - - -	920 5 8		
Expenses in connection with the Indian Contingent engaged in the Expedition to Egypt in 1882 - -	933 5 5		
Pay and Expenses of Non-Commissioned Officers of the Indian Establishment under Instruction at Woolwich; Pay and Expenses of Artificers having special technical training for various Government Factories in India; and other Miscellaneous Expenditure -	1,632 13 –		
	1,151,760 11 11		
Stores for India:	£. s. d.		
Clothing - - - - -	233,959 9 11		
Malt Liquor - - - - -	48,793 19 –		
Medical - - - - -	17,722 17 11		
Commissariat - - - -	19,763 – 5		
Ordnance and Miscellaneous - -	142,138 18 5		
	462,378 5 8		
		1,614,138 17 7	
Non-Effective:			
Payments to the Imperial Government on account of Retired Pay, Pensions, &c., of Her Majesty's British Forces serving or having served in India - - -	800,000 – –		
Pay of Non-effective Colonels of Royal Artillery - -	30,994 7 8		
Pay and Pensions of Non-effective and Retired Officers of the Indian Service - - - - - - -	1,424,267 9 7		
Compassionate Allowances of Officers removed from the Service, &c. - - - - - - - -	2,937 2 –		
Pensions of Non-commissioned Officers and Soldiers -	21,274 1 10		
Pensions of Widows and Families of Officers killed in the Mutiny, or otherwise, in Discharge of Duty -	11,148 11 4		
Gratuities to ditto - - - - - - - -	35 3 11		
Pensions of Widows and Families of Officers, &c., of the Indian Service - - - - - - - -	62,131 1 1		
Indian Service Family Pensions, towards which the Officers subscribed - - - - - - - -	5,675 17 1		
Payment to the Representatives of Lord Clive, on account of their Reversionary Claim to the Capital of the late "Lord Clive's Fund" - - - -	1,140 – –		
Cost of Medals - - - - - - - - -	679 16 9		
		2,360,283 11 3	
			3,974,422 8 10
TOTAL EXPENDITURE CHARGEABLE AGAINST REVENUE (carried forward) - -		£.	14,100,981 19 4

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.
Brought forward - -	4,370,175	3	10
RECEIPTS—*continued.*			
Carried forward - - - £.	4,370,175	3	10

of the Government of *India*, from 1st April 1884 to 31st March 1885 – *continued.*

	£. s. d.	£. s. d.	£. s. d.
Brought forward - - -			14,100,981 19 4
DISBURSEMENTS—*continued.*			
EXPENDITURE NOT CHARGED TO REVENUE:			
CAPITAL OUTLAY ON RAILWAYS AND IRRIGATION WORKS:			
STATE RAILWAYS:			
Stores for India - - - - - - - -	1,038,386 10 5		
Purchase of Rolling-Stock from the Bengal Central Railway Company - - - - - - -	28,869 – –		
Salary and Expenses of Consulting Engineer and Staff, Pay and Passages of Mechanics on Appointment, &c. - - - - - - - - - - -	10,449 11 –		
		1,077,705 1 5	
IRRIGATION WORKS:			
Stores for India - - - - - - - - - - - -		3,755 17 9	
PURCHASE OF THE MADRAS IRRIGATION AND CANAL COMPANY'S UNDERTAKING:			
Law Charges in connection with the winding-up of the Company -		701 18 5	
			1,082,162 17 7
CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES, &c.:			
EAST INDIAN RAILWAY:			
Capital charge involved in the redemption of the following liabilities, under the provisions of Act 44 & 45 Vict. c. 53:—			
In redemption of 12,289 *l.* 15 *s.* 9 *d.* of the Annuity, by the issue of India Stock; being the amount of Stock issued in exchange (*see* Receipts under "Debt") - - -	330,491 3 11		
In redemption of 39,610 *l.* Debenture Stock, by the issue of India Stock; being the excess in the amount of India Stock, issued in exchange, over the amount of Debenture Stock redeemed (*see* Receipts and Payment under "Debt") - - - - -	11,467 6 –		
		341,958 9 11	
EASTERN BENGAL RAILWAY:			
Discharge of Debentures of the Company which fell due 19th May 1884, in anticipation of the purchase - - - - - - - - -	150,000 – –		
Amount of the Debentures and Debenture Stock of the Company for which the Secretary of State incurred the liability on the purchase - - -	811,616 – –		
Capital charge involved in the redemption of Debenture Stock, under the provisions of Act 44 & 45 Vict. c. 53:—			
In redemption of 10,244 *l.* Debenture Stock, by the issue of India Stock, *prior to the date of purchase*; being the amount of India Stock issued in exchange (*see* Receipt under "Debt") - - - - - - -	11,063 10 4		
In redemption of 600 *l.* Debenture Stock, by the issue of India Stock, *after the date of purchase*; being the excess in the amount of India Stock issued in exchange over the amount of Debenture Stock redeemed (*see* Receipt and Payment under "Debt") -	108 – –		
		972,787 10 4	
			1,314,746 – 3
Carried forward - - - £.			16,497,890 17 2

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

			£. s. d.
		Brought forward - - -	4,370,175 3 10
RECEIPTS—*continued.*			
DEBT:			
PERMANENT DEBT INCURRED:			
India 3 per Cent. Stock: Loan issued - - - - - - -		3,000,000 – –	
India 3½ per Cent. Stock sold - - - - - - - - -		95,000 – –	
India 3½ per Cent. Stock, created under Act 44 & 45 Vict. c. 53:—			
In redemption of 4,609*l.* 18*s.* 9*d.* of the East Indian Railway Annuity - - - -	£. s. d. 115,248 8 9		
In redemption of 15,400*l.* East Indian Railway 4½ per Cent. Debenture Stock - - -	18,480 – –		
In redemption of 10,244*l.* Eastern Bengal Railway 4 per Cent. Debenture Stock - -	11,063 10 4		
		144,791 19 1	
India 3 per Cent. Stock, created under Act 44 & 45 Vict. c. 53:—			
In redemption of 7,679*l.* 17*s.* of the East Indian Railway Annuity - - - -	£. s. d. 215,242 15 2		
In redemption of 24,210*l.* East Indian Railway 4½ per Cent. Debenture Stock - - -	32,597 6 –		
In redemption of 600*l.* Eastern Bengal Railway 4 per Cent. Debenture Stock - - -	708 – –		
		248,548 1 2	
Debentures and Debenture Stock of the Eastern Bengal Railway Company, for which the Secretary of State incurred the liability on the Purchase of that Company's Undertaking - - - - -		811,616 – –	
		4,299,956 – 8	
TEMPORARY DEBT INCURRED:			
Temporary Loans on security of East India Bonds - - - -		750,000 – –	
RECEIPTS ON ACCOUNT OF SERVICE FUNDS BEARING INTEREST:			
India Office Provident Fund - - - - - - - - -		4,547 13 10	
			5,054,503 14 1
DEPOSITS AND ADVANCES:			
REPAYMENT OF ADVANCES:			
Repayment of Disbursements in England for purchase of Malt Liquor on behalf of the Imperial Government - - - - - -		2,034 12 8	
MISCELLANEOUS DEPOSITS:			
From Her Majesty's Treasury: Moiety of the Instalment for the year 1885-86 of the Grant-in-Aid of 3,000,000 *l.* on account of the Afghan War, treated as Revenue Receipts in the years 1880-81 and 1881-82		250,000 – –	
			252,034 12 8
		Carried forward - - - £.	9,676,713 10 7

of the Government of *India*, from 1st April 1884 to 31st March 1885—*continued.*

	£.	s.	d.	£.	s.	d.	£.	s.	d.
						Brought forward - - -	16,497,890	17	2
DISBURSEMENTS—*continued.*									
DEBT:									
PERMANENT DEBT DISCHARGED:									
East India Bonds - - - - - - - -	1,200	–	–						
India Debentures - - - - - - - -	3,005,500	–	–						
India 5 per Cent. Stock - - - - - - -	363	12	8						
India 4 per Cent. Stock (*see* East Indian Railway and Eastern Bengal Railway—*Sinking Funds*) -	—								
East Indian Railway 4½ per Cent. Debenture Stock	39,010	–	–						
Eastern Bengal Railway Debentures, due 1st November 1884 - - - - - - - - -	52,450	–	–						
Eastern Bengal Railway 4 per Cent. Debenture Stock - - - - - - - - -	600	–	–						
				3,099,723	12	8			
TEMPORARY DEBT DISCHARGED:									
Temporary Loans on security of East India Bonds - - - -				750,000	–	–			
PAYMENTS OUT OF DEPOSITS OF SERVICE FUNDS BEARING INTEREST:									
India Office Provident Fund - - - - - - - - -				809	3	7			
							3,850,532	16	3
DEPOSITS AND ADVANCES:									
ADVANCES REPAYABLE:									
For purchase of Malt Liquor, &c., on behalf of the Imperial Government - - - - - - - - - - - - - -				2,193	18	8			
Expedition to the Soudan in 1885: Expenses paid in England recoverable from the Imperial Government - - - - - - -				472	2	1			
							2,666	–	9
						Carried forward - - - £.	20,351,089	14	2

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

				£. s. d.
			Brought forward - - -	9,676,713 10 7
Receipts—*continued.*				
CAPITAL RECEIPTS FROM RAILWAY COMPANIES:				
On account of Subscribed Capital:				
State:		£. s. d.	£. s. d.	
Southern Mahratta Railway - - - -			1,704,275 - -	
Guaranteed:	£. s. d.			
Bombay, Baroda, and Central India Railway - - -	2,570 17 1			
Madras Railway - - -	12 10 2			
Oude and Rohilkund Railway -	560,052 9 10			
South Indian Railway - -	484,200 - -			
			1,046,835 17 1	
Subsidized:				
Bengal Central Railway - -	65,000 - -			
Rohilkund and Kumaon Railway	20,000 - -			
			85,000 - -	
				2,836,110 17 1
On account of Transfer Fees, and Miscellaneous Refunds:				
State:				
Southern Mahratta Railway - - - -			260 15 3	
Guaranteed:	£. s. d.			
Bombay, Baroda, and Central India Railway - - -	539 9 9			
Eastern Bengal Railway (to 30th June 1884) - - - -	73 16 11			
Great Indian Peninsula Railway	12,454 3 9			
Madras Railway - - -	2,157 9 11			
Oude and Rohilkund Railway -	791 3 6			
Scinde, Punjab, and Delhi Railway - - - - -	473 10 -			
South Indian Railway - -	3,309 18 1			
			19,799 11 11	
				20,060 7 2
				2,856,171 4 3
			Carried forward - - - £.	12,532,884 14 10

of the Government of *India*, from 1st April 1884 to 31st March 1885—*continued.*

	£.	s.	d.	£.	s.	d.	£.	s.	d.
							Brought forward - - -	20,351,089	14	2
DISBURSEMENTS—*continued.*									
PAYMENTS TO RAILWAY COMPANIES ON CAPITAL ACCOUNT:*									
FOR DISCHARGE OF DEBENTURES:									
Guaranteed:									
Bombay, Baroda, and Central India Railway -	288,500	–	–						
Oude and Rohilkund Railway - - - -	260,000	–	–						
South Indian Railway - - - - -	484,200	–	–						
				1,032,700	–	–			
ON ACCOUNT OF STORES, ESTABLISHMENT CHARGES, &c.:									
State:									
Southern Mahratta Railway - - - -	276,268	16	2						
Guaranteed:									
Bombay, Baroda, and Central India Railway - - -	167,156	6	5						
Eastern Bengal Railway (to 30th June 1884) - - - -	21,460	11	3						
Great Indian Peninsula Railway	570,711	6	3						
Madras Railway - - -	94,203	4	–						
Oude and Rohilkund Railway -	299,132	6	5						
Scinde, Punjab, and Delhi Railway - - - - - -	179,298	2	2						
South Indian Railway - -	79,107	13	6						
				1,411,069	10	–			
Subsidized:									
Bengal Central Railway - -	65,844	14	11						
Rohilkund and Kumaon Railway	20,000	–	–						
				85,844	14	11			
							1,773,183	1	1
								2,805,883	1	1
							Carried forward - - - £.	23,156,972	15	3

* Payments to the East Indian Railway Company on Capital Account are treated as Remittances.

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£. s. d.	£. s. d.
Brought forward - - -		12,532,884 14 10
RECEIPTS—*continued.*		
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:		
Repayments by Her Majesty's Treasury and other Public Departments in respect of:		
Bills drawn on India by the Officer in charge of the Treasury Chest at Hong Kong - - - - - - - - - - - - -	199,062 10 –	
Advances in India on account of the Emigration of Coolies, and Supplies to Her Majesty's Ships on the East India Station - - -	111,984 2 –	
Pensions paid in India to Out-pensioners of Chelsea Hospital - -	24,363 9 5	
Pensions paid in India to Native Family Pensioners on account of Expeditions to China, and to retired Hong Kong Police, &c. - -	1,952 13 2	
Sale of Agency Buildings at Zanzibar - - - - - -	11,080 – –	
Cost of Conveyance of Troops from India to Natal, and other Disbursements in India in connection with the Zulu War - - -	10,593 19 1	
Sums paid in India on behalf of the Imperial Government in connection with the Expedition to Egypt in 1882 - - - - - -	7,775 12 9	
Sums paid in India on account of Medical Officers and subordinates employed in Egypt in connection with the outbreak of Cholera in 1883 - - - - - - - - - - - - -	1,736 8 10	
Stores supplied by the Ordnance Department of India to the British Army in the Soudan in February 1884 - - - - - -	5,369 18 4	
Miscellaneous Advances made in India - - - - - -	10,689 18 5	
	384,608 12 –	
Estates remitted from India by Administrators General by means of Bills on London - - - - - - - - - - - - -	18,756 4 –	
East Indian Railway Company: Transfer Fees and Miscellaneous Refunds -	1,506 3 5	
Miscellaneous Receipts - - - - - - - - - - -	3,866 18 11	
Bills of Exchange and Telegraphic Transfers on India - - - -	13,758,908 16 1	
		14,167,646 14 5
	£.	26,700,531 9 3

India Office, 8 October 1885.

I certify that this Account has been examined under my directions; and that,

India Audit Office,
10 May 1886.

of the Government of *India*, from 1st April 1884 to 31st March 1885—*continued.*

		£. s. d.
	Brought forward - - -	23,156,972 15 3
DISBURSEMENTS—*continued.*		
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:		
Payments to Her Majesty's Treasury and other Public Departments on account of:	£. s. d.	
Postage collected in India - - - - - - - - - -	25,205 13 2	
Sums received in India for Money Orders - - - - - -	148,860 4 2	
Little Basses Light Vessel Dues - - - - - - - -	12,513 6 10	
Balances of Shipping Masters' Accounts - - - - - -	6,744 6 2	
Transactions in India in connection with the Expedition to Egypt in 1882 - - - - - - - - - - - - -	1,258 19 6	
Miscellaneous - - - - - - - - - - - -	1,144 19 11	
	195,727 9 9	
Advances on account of the Bengal and Madras Civil Funds - - -	146,000 – –	
Bills drawn by the Mission to the Court of Persia, in respect of advances made on Indian account (including 38,500*l.* on account of the Afghan Boundary Commission) - - - - - - - - - -	70,619 2 6	
Family and Miscellaneous Remittances - - - - - - - -	216,372 5 1	
Family Allotments of Mechanics, &c. - - - - - - - -	7,345 9 2	
Remittances by Administrators General - - - - - - - -	94,891 8 7	
East Indian Railway Company; Advances for purchase of Stores, &c. - -	404,629 2 3	
Stores chargeable to Provincial and Local Funds and to Native States -	134,577 5 9	
Pay and Pensions chargeable to Native States, Local Funds, &c. - -	16,591 10 2	
Miscellaneous payments to be brought to charge or recovered in India - -	7,426 15 9	
		1,294,180 9 –
TOTAL DISBURSEMENTS - - - £.		24,451,153 4 3
BALANCE on the 31st March 1885, including Sums in the hands of Sub-Accountants		2,249,378 5 –
	£.	26,700,531 9 3

Thos. W. Keith, Accountant General.

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subject to the observations contained in the annexed Report, it is correct.

Walter Carew Cocks, Auditor.

No. 2.

REPORT of the AUDITOR upon the INDIAN HOME ACCOUNTS, from 1st April 1884 to 31st March 1885, prepared, and submitted to Parliament and to the Secretary of State in Council, in pursuance of 52nd section of Act 21 & 22 Vict. c. 106.

1. BEFORE noticing any inaccuracies which have been discovered in the investigation of the Account for the year 1884-85, I propose to deal with the questions which remained undecided at the date of the issue of my last Report.

2. In paragraph No. 5 of last year's Report, dealing with the Indo-European Telegraph Account, I pointed out that, owing to various discrepancies, I was unable to certify to the correctness of the Account. I regret to state that the discrepancies referred to have not been yet adjusted.

3. The following sums alluded to in my last Report as either surcharged or disallowed have not been recovered during the period of this Account, viz.:—

		£.	s.	d.	
	Paragraph 2 - -	19	11	-	(surcharged).
	„ 6 - -	-	3	-	ditto.
(Part of £. 7. 5 *s.* 5 *d.*)	„ 7 - -	2	10	2	ditto.
	„ 14 - -	2	9	6	(disallowed).
	„ 17 - -	1	13	6	ditto.

4. The question relating to the unclaimed balance of Indian Prize Money remaining at the disposal of the Commissioners of Chelsea Hospital referred to in paragraph 3 is still unsettled.

As this question has been under consideration for five years, it is much to be wished that some settlement may be soon arrived at.

5. Of the outstanding Messing Allowances referred to in paragraph No. 9, the sum of 61 *l.* 3 *s.* was not recovered during the year, and therefore remains a surcharge. A further sum of 102 *l.* 4 *s.* 6 *d.* has been admitted by the War Office to be due, but not having yet been credited must also be surcharged. A further sum (believed to be a small one) is also due on this account; but as it is still the subject of correspondence the exact amount cannot be stated.

6. With reference to paragraph No. 17, I regret that I have again to say that no settlement has as yet been come to as to the prices charged by the War Office for warlike stores.

On the examination of the Account of the present year the following Questions have arisen:

RECEIPTS.

Telegraph:

7. Indo-European Telegraph - - - - - - - - £. 23,429. 18 *s.* 6 *d.*

I regret to state that discrepancies similar to those alluded to in paragraph No. 2 having been discovered in the present Account I am again unable to certify to its correctness.

Medical:

8. Royal India Lunatic Asylum, Ealing:

Pay, Pensions, &c. of inmates appropriated to their maintenance £. 2,278 *l.* 17 *s.* 5 *d.*

The sum of 1 *l.* 12 *s.* 3 *d.* due to the Asylum not having been recovered must be surcharged.

Miscellaneous:

9. Miscellaneous Receipts connected with the supply of Stores to India: Fines and Penalties incurred by Contractors, &c., in providing Stores and Freight (less refunds) - - - - - £. 1,098. 19 *s.* 7 *d.*

£. 1. 2 *s.* 3 *d.* still outstanding must be surcharged.

Buildings and Roads—Civil Works and Miscellaneous Services:

10. Royal Indian Engineering College: Sale of provisions, farm produce, &c. - - - - - - - - - - - - £. 851. 2 *s.* 0 *d.*

The sum of 2 *s.* 4 *d.* due by sale, not having been received, must be surcharged.

Army—Effective:

11. Value of clothing, accoutrements, &c., in possession of Regiments on their transfer to the British Establishment; and proceeds of sale of Unserviceable Military Stores, &c.

Clothing and Necessaries - - - - - - £. 7,405. 17 *s.* 8 *d.*

The sum of 28 *l.* 15 *s.* 9 *d.*, 2 *s.* 10½ *d.*, 3 *s.* 11 *d.*, and 272 *l.* 11 *s.* 5 *d.*, not having been received, must be surcharged.

12. Indian Troop Service: Receipts from the Admiralty, recoveries on account of messing, &c. - - - - - - - - £. 53,381. 5 *s.* 5 *d.*

Two sums, viz., 138 *l.* 5 *s.* 5 *d.* and 4 *l.* 10 *s.* 9 *d.*, due on account of deviation of ships on voyage, and 7 *l.* due by an officer on account of messing, must be surcharged.

13. Passage of Officers and Troops: recoveries on account of messing - - - - - - - - - - - - £. 186. 11 *s.* 8 *d.*

Sums amounting to 30 *l.* 7 *s.*, due by officers on account of messing on board private ships, not having been received, must be surcharged.

DISBURSEMENTS.

Marine:

14. Contribution towards the expenses of Her Majesty's ships employed in the Indian Seas - - - - - - - - - £. 79,065. 11 *s.* 6 *d.*

An objection has been raised on this item, relating to certain ships passing through the Indian Waters; but inasmuch as I have not been favoured with a reply to the objection in question, I am unable to certify to the correctness of this charge.

15. Stores for India - - - - - - - - - - - £. 57,574 *l.* 18 *s.* 8 *d.*

An overpayment of 19 *s.* 8 *d.* must be disallowed.

Scientific and other Minor Departments

16. Objects of a literary, scientific, or antiquarian character - £. 1,684. 10 *s.* 2 *d.*

An overpayment of 1 *l.* 6 *s.* must be disallowed; also an advance of 25 *l.* for writing a vocabulary which has not been accounted for.

Miscellaneous:

17. Miscellaneous charges connected with the supply of stores to India: lighterage, dock dues, packing, &c. - - - £. 5,657. 1 *s.* 5 *d.*

Overpayments of 1 *l.* - *s.* 11 *d.* and 11 *s.* must be disallowed.

Army—Effective:

18. Furlough allowances of officers of British Regiments serving in India - - - - - - - - - - - £. 69,695. 18 *s.* 8 *d.*

An overpayment of 1 *l.* 14 *s.* 9 *d.* must be disallowed.

19. Indian Troop Service - - - - - - - - - £. 354,228. 17 *s.* 0 *d.*

An overpayment of 27 *l.* 10 *s.* on account of tug-hire must be disallowed.

20. Stores for India: Ordnance and Miscellaneous - - - £. 142,138. 18 *s.* 5 *d.*

In addition to the question referred to at the commencement of this Report (*see* paragraph 6) on this subject, a further question of a similar character has arisen in the examination of this Account, which likewise remains unsettled.

State Railways:

21. Stores for India - - - - - - - - - £. 1,038,386. 10 *s.* 5 *d.*

5 *s.* 7 *d.* overpaid must be disallowed.

	£.	*s.*	*d.*	£.	*s.*	*d.*	£.	*s.*	*d.*
It will be observed that the balance on the Account is - - -							2,249,378	5	–
To which must be added:—									
Surcharges on previous Account -	185	11	8						
Ditto - present - ditto -	484	13	11						
				670	5	7			
Disallowances on previous Account	4	3	–						
Ditto - present - ditto -	58	7	11						
				62	10	11			
							732	16	6
							£. 2,250,111	1	6

India Audit Office,
10 May 1886.

Walter Carew Cocks, Auditor.

No. 3.

REPORT of the AUDITOR of the INDIAN HOME ACCOUNTS on the STORES ACCOUNTS, from 1st April 1884 to 31st March 1885, prepared, and submitted to Parliament and to the Secretary of State in Council, in pursuance of 52nd Section of Act 21 & 22 Vict. c. 106.

IN my Report for the Year 1883-84 I stated that 26 packing accounts were due on the Account for the Year 1882–83. None of these have been received. And that for the Year 1883 84, 60 packing accounts were unaccounted for; since the date of that Report 43 have been received, thus reducing the number outstanding to 17.

In the present Year of a total issue of 2,450, 45 only have not been returned.

India Audit Office,
10 May 1886.

Walter Carew Cocks, Auditor.

No. 4. - - - - - - - - -

* ESTIMATED ACCOUNT of the RECEIPTS and DISBURSEMENTS of the HOME

RECEIPTS.

			£.
Balance, 1st April 1885 - - - - -			2,249,378
REVENUE:			
FOREST:		£.	
Receipts from Students for the Indian Forest Department, on account of their expenses at the Forest School at Nancy - - - - -		332	
INTEREST:			
Interest realised from investment of Cash Balance, &c. - - - - -		9,136	
TELEGRAPH:			
Indo-European Telegraph - - - - -		35,489	
MEDICAL:			
Pensions, &c., of Inmates of the Royal India Lunatic Asylum, appropriated to their maintenance, &c. - - - - -		2,537	
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:			
Sale proceeds of Books, Maps, &c. - - - - -		137	
RECEIPTS IN AID OF SUPERANNUATION ALLOWANCES AND PENSIONS:	£.		
Subscriptions, &c., to the Widows' Funds of the Home Establishment of the East India Company - - - - -	9,682		
Balance of the India Office Provident Fund on its being closed and its liabilities assumed by the Secretary of State, and subscriptions to the Fund during the year - - - - -	27,757		
Subscriptions to the Indian Civil, Military, and Medical Funds, and the Indian Navy Fund - - - - -	87,891		
		125,330	
MISCELLANEOUS:			
Miscellaneous receipts connected with the supply of Stores to India, and sundry items - -		6,370	
RAILWAYS:			
STATE RAILWAYS:			
East Indian Railway: Rent of Premises occupied by the Company - - - - -		230	
BUILDINGS AND ROADS:			
CIVIL WORKS AND MISCELLANEOUS SERVICES:			
Royal Indian Engineering College—Fees from Students, &c. - - - - -		19,751	
ARMY:			
Effective.	£.		
Value of Clothing, Accoutrements, &c., in possession of Regiments on their transfer from the Indian to the British Establishment; proceeds of Sales of unserviceable Stores; receipts on account of the Indian Troop Service; recoveries on account of Messing, &c. - - - - -	56,168		
Non-effective.			
Subscriptions towards Indian Service Family Pensions, &c. - - - -	3,096		
		59,264	
Carried forward - - - £.		259,076	2,249,378

* This is an Account subject to audit and to the final adjustment of the accounts of Sub-Accountants.

No. 4.

TREASURY of the GOVERNMENT of *India*, from 1st April 1885 to 31st March 1886.

DISBURSEMENTS.

EXPENDITURE:	£.	£.
LAND REVENUE:		
Law Charges in connection with Appeals from India	206	
Stores for India	126	
		332
OPIUM:		
Stores for India		4,710
SALT:		
Stores for India		1,722
STAMPS:		
Stores for India		48,543
EXCISE:		
Stores for India		886
FOREST:	£.	
Expenses attending the instruction of successful Candidates for the Indian Forest Department, &c.	2,947	
Stores for India	3	
		2,950
INTEREST ON DEBT (EXCLUDING THAT CHARGED ON PAGE 33, TO RAILWAYS):		
Interest on Loans contracted in England*	2,381,466	
Interest on the Indian Transfer Loan of 22nd April 1854	44,761	
Discount Sinking Fund, in redemption of debt incurred in excess of money raised	2,721	
		2,428,948
INTEREST ON OTHER OBLIGATIONS:		
Interest on Deposits in Regimental Savings Banks of men returned from India		295
POST OFFICE:	£.	
Payments under the Postal arrangement with the Lords of Her Majesty's Treasury	68,000	
Stores for India	37,139	
		105,139
TELEGRAPH:		
Indo-European Telegraph	98,205	
Red Sea and India Telegraph	18,027	
Indian Telegraph Department:—Absentee Allowances and Contingent Expenses	6,122	
	122,354	
Telegraph Lines in India—Stores for India	145,437	
		267,791
MINT:		
Stores for India	21,904	
Other Payments	358	
		22,262
GENERAL ADMINISTRATION:		
Home Establishments, &c.	239,004	
Payments on account of Administration in India	2,664	
	241,668	
Stores for India	20,985	
		262,653
LAW AND JUSTICE:		
Stores for India	159	
Other Payments	950	
		1,109
Carried forward £.		3,147,340

* Total Interest on Loans contracted in England is charged as follows:—

Under Interest on Ordinary Debt (as above)	£. 2,381,466
Under Railway Revenue Account (page 33)	366,155
	£. 2,747,621

No. 4.—ESTIMATED ACCOUNT of the Receipts and Disbursements of the Home Treasury

	£.	£.
Brought forward - - - -	259,076	2,249,378
RECEIPTS—*continued.*		
Carried forward - - - £.	259,076	2,249,378

of the Government of *India*, from 1st April 1885 to 31st March 1886—*continued.*

		£.
Brought forward		3,147,340
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
MARINE:	£.	
Contribution towards the Expenses of Her Majesty's Ships employed in the Indian Seas	72,194	
Sundry items	1,910	
	74,104	
Stores for India	69,062	
		143,166
EDUCATION:		
Passage to India of Educational Officers on appointment, &c.		381
ECCLESIASTICAL:		
Passage to India of Chaplains on appointment		609
MEDICAL:		
Expenses of the Royal India Lunatic Asylum, Maintenance of Lunatics elsewhere, &c.		8,667
POLITICAL:	£.	
Mission to the Court of Persia	10,000	
Her Majesty's Establishments in China	15,000	
Sundry items	7,566	
	32,566	
Stores for India	293	
		32,859
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:		
Stores for India	7,278	
Other Payments	9,233	
		16,511
TERRITORIAL AND POLITICAL PENSIONS:		
His Highness Maharajah Duleep Singh	21,064	
Members of the Bengal Nizamut Family	998	
		22,062
CIVIL FURLOUGH AND ABSENTEE ALLOWANCES		196,191
SUPERANNUATION ALLOWANCES AND PENSIONS:		
Including 1,251,039 *l.* on account of Annuities, Pensions, and Allowances payable in respect of the Indian Civil, Military, and Medical Funds, and the Indian Navy Fund		1,506,051
STATIONERY AND PRINTING:	£.	
Stationery, Printing, and Bookbinding, for the India Office, &c.	7,243	
Stores for India	67,294	
		74,537
MISCELLANEOUS:		
Examination Expenses and Allowances of Candidates for the Civil Service of India, &c.	17,237	
Miscellaneous charges connected with the supply of Stores to India	14,142	
		31,379
RAILWAY REVENUE ACCOUNT:		
STATE RAILWAYS—INTEREST ON DEBT:	£.	
East Indian Railway	331,761	
Eastern Bengal Railway	34,394	
	366,155	
STATE RAILWAYS—ANNUITIES IN PURCHASE OF RAILWAYS (INCLUDING SINKING FUNDS):		
East Indian Railway	1,181,770	
Eastern Bengal Railway	142,261	
	1,324,031	
STATE RAILWAYS—INTEREST ON CAPITAL DEPOSITED BY COMPANIES:		
Bengal Central Railway	24,802	
Indian Midland Railway	22,263	
Southern Mahratta Railway	148,821	
	195,886	
GUARANTEED COMPANIES—INTEREST	3,180,735	
		5,066,807
Carried forward	£.	10,246,560

No. 4.—Estimated Account of the Receipts and Disbursements of the Home Treasury

	£.	£.
Brought forward - - - -	259,076	2,249,378
Receipts—*continued.*		
Total Receipts on Account of Revenue - - - £.		259,076
Carried forward - - - £.		2,508,454

of the Government of *India*, from 1st April 1885 to 31st March 1886—*continued.*

			£.
		Brought forward - - - -	10,246,560
DISBURSEMENTS—*continued.*			
EXPENDITURE—*continued.*			
IRRIGATION:			
MINOR WORKS AND NAVIGATION:			
Stores for India - - - - - - - - - - - - - - - - - -			449
BUILDINGS AND ROADS:			
MILITARY WORKS:			£.
Stores for India - - - - - - - - - - - - - - - - -			8,711
CIVIL WORKS AND MISCELLANEOUS SERVICES:		£.	
Furlough Pay and Allowances of Officers in the Public Works Department		43,092	
Royal Indian Engineering College - - - - - - - - -		22,218	
Sundry items - - - - - - - - - - - - - -		6,561	
		71,871	
Stores for India - - - - - - - - - - - - -		47	71,918
			80,629
ARMY:			
Effective:			
Home Charges of British Forces serving in India - - - - - - -		617,316	
Furlough Allowances of Officers of the Indian Service - - - - -		100,473	
Indian Troop Service - - - - - - - - - - - - -		311,591	
Passage of Officers and Troops, otherwise than in Troop Ships - - - -		20,634	
Miscellaneous - - - - - - - - - - - - - -		19,783	
		1,069,797	
Stores for India - - - - - - - - - - - - - -		929,642	
			1,999,439
Non-Effective:			
Retired Pay, &c., of British Forces, on account of service in India - - -		125,796	
Pay and Pensions of Non-effective and Retired Officers of the Indian Service -		1,459,612	
Miscellaneous Pensions, &c. (formerly described as Lord Clive's Fund) - -		101,065	
Indian Service Family Pensions - - - - - - - - - - -		6,857	
			1,693,330
			3,692,769
TOTAL EXPENDITURE CHARGEABLE AGAINST REVENUE - - - £.			14,020,407

EXPENDITURE NOT CHARGED TO REVENUE:

CAPITAL OUTLAY ON RAILWAYS AND IRRIGATION WORKS:			
STATE RAILWAYS:			£.
Stores for India, 1,776,592 *l.* Other Payments, 10,583 *l.* - - - - - - -			1,787,175
IRRIGATION WORKS:			
Stores for India - - - - - - - - - - - - - - - - -			4,450
PURCHASE OF THE MADRAS IRRIGATION AND CANAL COMPANY'S UNDERTAKING:			
Further Payment for Law Charges in connection with the winding-up of the Company -			2,144
			1,793,769
CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES:			
EAST INDIAN RAILWAY:			
Capital charge involved in the redemption of portion of the Annuity by the issue of India 3½ per Cent Stock (*see* Receipt under Debt) - - - - - - - - -			544,991
EASTERN BENGAL RAILWAY:			
Capital charge involved in the redemption of portion of the Annuity by the issue of India 3½ per Cent. Stock (*see* Receipt under Debt) - - - - - - - - -			541,054
			1,086,045
		Carried forward - - - £.	16,900,221

No. 4.—ESTIMATED ACCOUNT of the Receipts and Disbursements of the Home Treasury

RECEIPTS—*continued.*

			£.
Brought forward			2,508,454
DEBT:			
PERMANENT DEBT:			
India 3 per cent. Stock—Money raised by the issue of 3,500,000 *l.* Stock		£. 2,984,986	
India 3½ per Cent. Stock, created under Acts 44 & 45 Vict. c. 53, and 48 & 49 Vict. c. 25, s. 25:	£.		
In redemption of 22,473 *l.* 17 *s.* 3 *d.* of the East Indian Railway Annuity	544,991		
In redemption of 22,311 *l.* 10 *s.* 6 *d.* of the Eastern Bengal Railway Annuity	541,054		
		1,086,045	
TEMPORARY DEBT:			
Temporary Loans on security of East India Bonds		1,000,000	
			5,071,031
DEPOSITS AND ADVANCES:			
REPAYMENT OF ADVANCES:			
Repayment of Disbursements in England for purchase of Malt Liquor, &c., on behalf of the Imperial Government		3,794	
MISCELLANEOUS DEPOSITS:			
From Her Majesty's Treasury: the remaining moiety of the Instalment for the year 1885–86 of the Grant-in-aid of 3,000,000 *l.* on account of the Afghan War, treated as Revenue Receipts in the years 1880–81 and 1881–82	£. 250,000		
Refund by the Bombay, Baroda, and Central India Railway Company of a sum, issued to the Company for discharge of Debentures, remaining unclaimed	285		
		250,285	
			254,079
CAPITAL RECEIPTS FROM RAILWAY COMPANIES:			
ON ACCOUNT OF SUBSCRIBED CAPITAL		7,327,007	
ON ACCOUNT OF TRANSFER FEES AND MISCELLANEOUS REFUNDS		19,406	
			7,346,413
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:			
Repayments by Her Majesty's Treasury and other Public Departments, in respect of—	£.	£.	
Bills drawn on India by the Officers in charge of the Treasury Chests at Hong Kong and Ceylon	217,856		
Expenses attending the employment of Indian Native Troops in the Soudan and Nubia	632,188		
Advances in India on account of Emigration of Coolies, Chelsea Out-Pensioners paid in India, supplies to Her Majesty's Ships on the East India Station, &c.	186,033		
		1,036,077	
Estates remitted from India by Administrators General by means of Bills on London		21,618	
East Indian Railway Company: Transfer Fees and Miscellaneous Refunds		1,993	
Rajputana-Malwa Railway: Miscellaneous Refunds		1,953	
Miscellaneous Receipts		8,553	
Bills of Exchange and Telegraphic Transfers on India		10,292,692	
			11,362,886
		£.	26,542,863

India Office, 11 May 1886.

of the Government of *India*, from 1st April 1885 to 31st March 1886—*continued.*

		£.
	Brought forward - - - -	16,900,221
DISBURSEMENTS—*continued.*		
DEBT:		
PERMANENT DEBT DISCHARGED:	£.	£.
India Debentures due 16th August 1884 - - - - - - - - -	1,000	
India 5 per Cent. Stock - - - - - - - - - - - - -	5,000	
Eastern Bengal Railway Debentures due 1st November 1881 - - - -	200	
		6,200
TEMPORARY DEBT DISCHARGED:		
Temporary Loans on security of East India Bonds - - - - - - - - -		1,000,000
PAYMENTS OUT OF DEPOSITS OF SERVICE FUNDS BEARING INTEREST:		
India Office Provident Fund: Subscriptions refunded, and Balance of the Fund transferred to Revenue - - - - - - - - - - - - - - - - - -		30,712
		1,036,912
DEPOSITS AND ADVANCES:		
ADVANCES REPAYABLE:	£.	
For purchase of Malt Liquor, on behalf of the Imperial Government - -	3,635	
Expenses in England recoverable from the Imperial Government in connection with the employment of Indian Native Troops in the Soudan and Nubia - - - - - - - - - - - - - - -	747	
		4,382
MISCELLANEOUS DEPOSITS:		
Sum re-issued to the Great Indian Peninsula Railway Company for discharge of certain Debentures, the amount of which having been long unclaimed, was repaid to the Secretary of State in 1883-84 - - - - - - - - - - - - - - -		3,100
		7,482
PAYMENTS TO RAILWAY COMPANIES ON CAPITAL ACCOUNT*:		
		£.
FOR DISCHARGE OF DEBENTURES - - - - - - - - - - - - -		285,500
ON ACCOUNT OF STORES, ESTABLISHMENT CHARGES, &c. - - - - - - - -		1,909,376
		2,194,876
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:		
		£.
Payments to Her Majesty's Treasury and other Public Departments on account of Postage collected in India, sums received in India for Money Orders, &c. - - - - - - - - -		235,136
Advances on account of the Madras Civil Fund - - - - - - - - - - -		131,500
Family Remittances, Remittances by Administrators General, &c. - - - - - -		390,182
East Indian Railway Company: Advances for purchase of Stores, &c. - - - - - -		475,331
Rajputana-Malwa Railway: Advances for purchase of Stores, &c. - - - - - -		136,386
Stores chargeable to Provincial and Local Funds, and to Native States - - - - - -		94,224
Miscellaneous Payments to be brought to charge or recovered in India - - - - -		216,646
		1,679,405
TOTAL DISBURSEMENTS - - - - £.		21,818,896
BALANCE, 31st March 1886 - -		4,723,967
£.		26,542,863

* Advances to the East Indian Railway Company, and advances to the Bombay, Baroda, and Central India Railway Company on account of the Rajputana-Malwa Railway, are treated as Remittances.

Thos. W. Keith, Accountant General.

No. 5. - - - - - - - -

ACCOUNT showing the Total Amount of INDIAN DEBT raised in *England*, the Annual the Debt and Charge and the Annuity created in the Year ended the 31st March 1886; of Debt, the Annual Charge thereof, and the Indian Railway Annuities, on the

	Capital of Debt.	Rate per Cent.	Annual Charge.		
			Interest and Annuity.	Management.	TOTAL.
TOTAL DEBT AND ANNUITIES ON THE 31ST MARCH 1885.	£. s. d.		£. s. d.	£. s. d.	£. s. d.
Debt bearing Interest:					
India 4 per Cent. Stock	53,388,101 18 –	4	2,135,524 1 7	18,151 19 1	2,153,676 – 8
India 3½ per Cent. Stock	5,397,425 17 1	3½	188,909 18 –	*2,158 19 5	*191,068 17 5
India 3 per Cent. Stock	3,248,548 1 2	3	97,456 8 9	*1,299 8 5	*98,755 17 2
India Debentures	5,000,000 – –	3½	175,000 – –	- - -	175,000 – –
East Indian Railway Debenture Stock	1,435,650 – –	4½	64,604 5 –	- - -	64,604 5 –
Eastern Bengal Railway Debenture Stock	348,666 – –	4	13,946 12 9	118 10 11	14,065 3 8
Eastern Bengal Railway Debentures	409,700 – –	4	16,388 – –	- - -	16,388 – –
	69,228,091 16 3				
Debt not bearing Interest:					
India 5 per Cent. Stock	19,778 17 5				
India Debentures	1,000 – –				
East India Bonds	20,917 – –				
East Indian Railway Debentures	1,100 – –				
Eastern Bengal Railway Debentures	200 – –				
TOTAL Debt, and Annual Charge thereof, on 31st March 1885	69,271,087 13 8		2,691,829 6 1	*21,728 17 10	*2,713,558 3 11
Indian Railway Annuities.					
East Indian Railway:					
Annuity terminating in 1953	- - -	–	873,132 8 7	- - -	873,132 8 7
Interest in lieu of Deferred Annuity	- - -	–	262,000 – –	- - -	262,000 – –
Contribution towards Management, &c., in respect of the Annuity registered in the name of the Secretary of State	- - -	–	- - -	1,274 9 –	1,274 9 –
Eastern Bengal Railway Annuity, terminating in 1957	- - -	–	139,162 5 3	- - -	139,162 5 3
TOTAL Indian Railway Annuities on 31st March 1885	- - -	–	1,274,294 13 10	1,274 9 –	1,275,569 2 10
DEBT AND ANNUITY CREATED IN THE YEAR.			3,966,123 19 11	*23,003 6 10	*3,989,127 6 9
Debt bearing Interest:					
India 3½ per Cent. Stock (issued in exchange for 22,473 *l.* 17 *s.* 3 *d.* East Indian Railway Annuity)	544,990 18 8	3½	19,074 13 8	217 19 11	19,292 13 7
India 3½ per Cent. Stock (issued in exchange for 22,311 *l.* 10 *s.* 6 *d.* Eastern Bengal Railway Annuity)	541,054 7 4	3½	18,936 18 1	216 8 5	19,153 6 6
India 3 per Cent. Stock	3,500,000 – –	3	105,000 – –	1,400 – –	106,400 – –
East India Bonds (issued temporarily, and paid off within the Year)	1,000,000 – –	2	†1,410 18 10	- - -	†1,410 18 10
	5,586,045 6 –	–	144,422 10 7	1,834 8 4	146,256 18 11
Indian Railway Annuities.					
East Indian Railway:					
Contribution towards Management, &c., in respect of the Annuity registered in the name of the Secretary of State, increased	- - -	–	- - -	93 12 10	93 12 10
Eastern Bengal Railway:					
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State	- - -	–	- - -	140 3 7	140 3 7
Scinde, Punjab, and Delhi Railway Annuity, terminating in 1958 (created for the purchase of the Line)	- - -	–	571,828 14 –	- - -	571,828 14 –
			571,828 14 –	233 16 5	572,062 10 5
			716,251 4 7	2,068 4 9	718,319 9 4
£.	74,857,132 19 8	–	4,682,375 4 6	25,071 11 7	4,707,446 16 1

* These sums differ from those shown in the Account for 1884–85 owing to the charge for management of the Stocks on which dividends are payable quarterly, having been increased from 340 *l.* to 400 *l.* per million per annum.

† This is the *actual* amount of Interest paid during the year on account of Temporary Loans for short periods.

No. 5.

Charge thereof, and the INDIAN RAILWAY ANNUITIES, on the 31st March 1885; the Debt and Charge and the Annuities reduced in that Year; and the Total Amount 31st March 1886.

	Capital of Debt.	Rate per Cent.	Annual Charge. Interest and Annuity.	Management.	TOTAL.
DEBT AND ANNUITIES REDUCED IN THE YEAR.					
Debt bearing Interest:	£. s. d.		£. s. d.	£. s. d.	£. s. d.
India 4 per Cent. Stock, purchased with the Sinking Funds pursuant to Act 42 & 43 Vict. c. 206, s. 51, and Act 44 & 45 Vict. c. 53, s. 2	41,694 2 –	4	1,667 15 4	14 3 6	1,681 18 10
India 4 per Cent. Stock, purchased with the Discount Sinking Fund	2,618 2 9	4	104 14 6	– 17 10	105 12 4
East India Bonds (issued temporarily) paid off	1,000,000 – –	2	†1,410 18 10	- - -	†1,410 18 10
	1,044,312 4 9				
Debt not bearing Interest:					
India 5 per Cent. Stock, paid off	5,000 – –				
India Debentures, paid off	1,000 – –				
Eastern Bengal Railway Debentures, paid off	200 – –				
	1,050,512 4 9	–	3,183 8 8	15 1 4	3,198 10 –
Indian Railway Annuities.					
East Indian Railway Annuity, redeemed by the issue of 544,990 *l.* 18 *s.* 8 *d.* India 3½ per Cent. Stock, under Act 44 & 45 Vict. c. 53	- - -	–	22,473 17 3	- - -	22,473 17 3
Eastern Bengal Railway Annuity, redeemed by the issue of 541,054 *l.* 7 *s.* 4 *d.* India 3½ per Cent. Stock, under Act 44 & 45 Vict. c. 53, and Act 48 & 49 Vict. c. 25, s. 25	- - -	–	22,311 10 6	- - -	22,311 10 6
			44,785 7 9	- - -	44,785 7 9
			47,968 16 5	15 1 4	47,983 17 9
TOTAL DEBT AND ANNUITIES ON 31ST MARCH 1886.‡					
Debt bearing Interest:					
India 4 per Cent. Stock	53,343,789 13 3	4	2,133,751 11 9	18,136 17 9	2,151,888 9 6
India 3½ per Cent. Stock	6,483,471 3 1	3½	226,921 9 9	2,593 7 9	229,514 17 6
India 3 per Cent. Stock	6 748,548 1 2	3	202,456 8 9	2,699 8 5	205,155 17 2
India Debentures	5,000,000 – –	3½	175,000 – –	- - -	175,000 – –
East Indian Railway Debenture Stock	1,435,650 – –	4½	64,604 5 –	- - -	64,604 5 –
Eastern Bengal Railway Debenture Stock	348,666 – –	4	13,946 12 9	118 10 11	14,065 3 8
Eastern Bengal Railway Debentures	409,700 – –	4	16,388 – –	- - -	16,388 – –
	73,769,824 17 6				
Debt not bearing Interest:					
India 5 per Cent. Stock	14,778 17 5				
East India Bonds	20,917 – –				
East Indian Railway Debentures	1,100 – –				
TOTAL Debt and Annual charge thereof, on 31st March 1886	73,806,620 14 11	–	2,833,068 8 –	23,548 4 10	2,856,616 12 10
Indian Railway Annuities.					
East Indian Railway:					
Annuity terminating in 1953	- - -	-	850,658 11 4	- - -	850,658 11 4
Interest in lieu of Deferred Annuity	- - -	–	262,000 – –	- - -	262,000 – –
Contribution towards Management, &c., in respect of the Annuity registered in the name of the Secretary of State	- - -	–	- - -	1,368 1 10	1,368 1 10
Eastern Bengal Railway:					
Annuity terminating in 1957	- - -	–	116,850 14 9	- - -	116,850 14 9
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State	- - -	–	- - -	140 3 7	140 3 7
Scinde, Punjab, and Delhi Railway Annuity, terminating in 1958	- - -	–	571,828 14 –	- - -	571,828 14 –
TOTAL Indian Railway Annuities on 31st March 1886	- - -	–	1,801,338 – 1	1,508 5 5	1,802,846 5 6
			4,634,406 8 1	25,056 10 3	4,659,462 18 4
£.	74,857,132 19 8	–	4,682,375 4 6	25,071 11 7	4,707,446 16 1

‡ For Analysis, *see* following page.

ANALYSIS of the Amount of INDIAN DEBT raised in *England*, the Annual Charge thereof, and INDIAN RAILWAY ANNUITIES, outstanding on the 31st March 1886.

	Capital of Debt.		Rate per Cent.	Annual Charge.		
				Interest and Annuity.	Management.	TOTAL.
Debt exclusive of that incurred in respect of the East Indian and Eastern Bengal Railways.	£. s. d.	£. s. d.		£. s. d.	£. s. d.	£. s. d.
Bearing Interest:						
India 4 per Cent. Stock	48,415,831 8 8	- - -	4	1,936,633 5 2	16,461 7 8	1,953,094 12 10
India 3½ per Cent. Stock	3,595,000 - -	- - -	3½	125,825 - -	1,438 - -	127,263 - -
India 3 per Cent. Stock	6,500,000 - -	- - -	3	195,000 - -	2,600 - -	197,600 - -
India Debentures	5,000,000 - -	- - -	3½	175,000 - -	- - -	175,000 - -
	63,510,831 8 8					
Not bearing Interest:						
India 5 per Cent. Stock	14,778 17 5					
East India Bonds	20,917 - -					
		63,546,527 6 1	-	2,432,458 5 2	20,499 7 8	2,452,957 12 10
Debt incurred and Annuity created in respect of the East Indian Railway.						
Debt Bearing Interest:						
India 4 per Cent. Stock	4,928,473 10 6	- - -	4	197,138 18 10	1,675 13 7	198,814 12 5
India 3½ per Cent. Stock	2,280,411 8 8	- - -	3½	79,814 8 -	912 3 3	80,726 11 3
India 3 per Cent. Stock	247,810 1 2	- - -	3	7,435 4 -	99 2 9	7,534 6 9
East Indian Railway Debenture Stock	1,435,650 - -	- - -	4½	64,604 5 -	- - -	64,604 5 -
	8,892,375 - 4					
Debt not bearing Interest:						
East Indian Railway Debentures	1,100 - -					
		8,893,475 - 4	-	348,992 15 10	2,686 19 7	351,679 15 5
Annuity:						
Annuity terminating in 1953	- - -	- - -	-	850,658 11 4	- - -	850,658 11 4
Interest in lieu of Deferred Annuity	- - -	- - -	-	262,000 - -	- - -	262,000 - -
Contribution towards Management, &c., in respect of the Annuity registered in the name of the Secretary of State	- - -	- - -	-	- - -	1,368 1 10	1,368 1 10
				1,112,658 11 4	1,368 1 10	1,114,026 13 2
Debt incurred and Annuity created in respect of the Eastern Bengal Railway.				1,461,651 7 2	4,055 1 5	1,465,706 8 7
Debt bearing Interest:						
India 4 per Cent. Stock	*—515 5 11	- - -	4	— 20 12 3	— — 3 6	— 20 15 9
India 3½ per Cent. Stock	608,059 14 5	- - -	3½	21,282 1 9	243 4 6	21,525 6 3
India 3 per Cent. Stock	708 - -	- - -	3	21 4 9	— 5 8	21 10 5
Eastern Bengal Railway Debenture Stock	348,666 - -	- - -	4	13,946 12 9	118 10 11	14,065 3 8
Eastern Bengal Railway Debentures	409,700 - -	- - -	4	16,388 - -	- - -	16,388 - -
		1,366,618 8 6	-	51,617 7 -	361 17 7	51,979 4 7
Annuity:						
Annuity terminating in 1957	- - -	- - -	-	116,850 14 9	- - -	116,850 14 9
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State	- - -	- - -	-	- - -	140 3 7	140 3 7
				116,850 14 9	140 3 7	116,990 18 4
				168,468 1 9	502 1 2	168,970 2 11
Annuity created in respect of the Scinde, Punjab, and Delhi Railway, terminating in 1958	- - -	- - -	-	571,828 14 -	- - -	571,828 14 -
	£.	73,806,620 14 11	-	4,634,406 8 1	25,056 10 3	4,659,462 18 4

* The total amount of India 4 per Cent. Stock has been reduced by 515 *l.* 5 *s.* 11 *d.*, owing to the Sinking Fund in respect of the redemption of Eastern Bengal Railway Debenture Stock having been applied to the purchase of that amount of India 4 per Cent. Stock, which has been cancelled.

Thos. W. Keith, Accountant General.

No. 6.

LIST of the ESTABLISHMENT of the SECRETARY of STATE in COUNCIL of *India*, and the SALARIES and ALLOWANCES on the 31st March 1886, and a STATEMENT of the SUMS paid during the Years ended on the 31st March 1885, and 31st March 1886, respectively.

	Salaries and Allowances on the 31st March 1886.						Payments during				
	Permanent Establishment.		Non-permanent Establishment.		TOTAL.		1884-85.			1885-86.	
	No.	£.	*No.*	£.	*No.*	£.	£.	*s.*	*d.*	£.	
Secretary of State; two Under Secretaries of State; Assistant Under Secretary of State and Clerk of the Council; and fifteen Members of Council	19	27,700	–	–	19	27,700	27,504	13	9	27,700	
Correspondence Department: consisting of forty-seven Officers and Clerks	47	32,234	–	–	47	32,234	34,653	17	–	32,863	
Accountant General's Department: consisting of forty-eight Officers and Clerks	48	15,445	–	–	48	15,445	14,642	2	8	15,022	
Funds Department: consisting of four Officers and Clerks, one of whom is also Agent to the Administrators General in India	4	2,325	–	–	4	2,325	2,246	5	–	2,291	
Registry and Record Department: consisting of forty-one Officers and Clerks	41	10,083	–	–	41	10,083	8,778	15	8	10,228	
Miscellaneous Officers, &c.: consisting of Deputy Government Director of Indian Railway Companies; Librarian; Assistant to ditto; two Members of the Medical Board for the examination of Officers of the Indian Services; Legal Adviser to the Secretary of State; Surveyor and Clerk of the Works, and Assistant to ditto	8	4,130	–	–	8	4,130	3,869	5	9	4,216	
Miscellaneous Officers and Clerks not on the Permanent Establishment: consisting of Private Secretary to the Secretary of State; Consulting Officer for the Indian Troop Service; Ordnance Consulting Officer for India; Assistant Military Secretary for Indian Affairs at the Horse Guards; Clerk to ditto; Indian Officer attached to the Intelligence Department, Horse Guards; Registrar of the Orders of the Star of India and of the Indian Empire; three Clerks to the Legal Adviser; Clerk to the Commissioners of Income Tax; Officer temporarily employed in connection with the Revenue, Statistics and Commerce Department; and Computing Clerk in the Funds Department	–	–	13	5,805	13	5,805	4,736	–	7	5,303	
Clerks temporarily employed at the India Office	–	–	24	3,038	24	3,038	3,440	18	–	3,473	
Office-keepers and Messengers	57	6,368	8	170	65	6,538	6,548	7	9	6,504	
Housekeeper, Housemaids, and Charwomen	32	1,324	–	–	32	1,324	1,325	12	–	1,326	
Artificers and Labourers employed at the India Office	–	–	21	1,677	21	1,677	1,687	3	6	1,640	
	256	99,609	66	10,690	322	110,299					
OFFICERS, &c., CONNECTED WITH THE SUPPLY OF STORES:											
Salaries included in the Home Accounts under the item "Salaries of the Secretary of State, &c.":											
Store Department: consisting of fifty-two Officers and Clerks, ten Supervisors of the First and Second Grades, and twenty-six Examiners and Assistant Examiners of Stores	88	27,184	–	–	88	27,184	26,254	3	1	26,952	
Miscellaneous Officers at the Store Depôt not on the Permanent Establishment: consisting of Surveyor of Shipping; Medical Attendant on Labourers; Assistant Cooper for the examination of Casks of Beer supplied to India; and Examiner of Medical Stores	–	–	4	970	4	970	1,090	–	–	1,036	
Clerks temporarily employed in the Store Department	–	–	7	868	7	868	681	–	10	863	
Wages included in the Home Accounts under the item "Store Department, Wages, &c.":							137,458	5	7	139,417	
Artificers and Labourers employed at the Store Depôt	–	–	90	6,594	90	6,594	6,809	10	9	6,761	
Labourers temporarily employed at the Store Depôt	–	–	79	4,218	79	4,218	3,867	19	4	4,546	
Examiners and Tellers temporarily employed in the Stamp Branch	–	–	32	2,720	32	2,720	2,647	12	9	2,595	
	88	27,184	212	15,370	300	42,554					
TOTAL	344	126,793	278	26,060	622	152,853	150,783	8	5	153,319	

Thos. W. Keith, Accountant General.

No. 7.

ACCOUNT of New or Increased SALARIES, ESTABLISHMENTS, or PENSIONS, granted or created in *England*, between 1st April 1885 and 31st March 1886.

SALARIES.

Mr. Charles E. D. Black, Clerk for Geographical Records, Registry and Record Department, Salary increased from 400 *l.* to 500 *l.* per annum.

ESTABLISHMENTS.

Store Department, India Office Branch:

Seven Senior Clerks—Salary 500 *l.*, rising by 20 *l.* annually to 700 *l.* per annum (100 *l.* per annum each to three of the Senior Clerks, for the performance of special duties).

Seven Junior Clerks—Salary 100 *l.*, rising by 15 *l.* annually to 400 *l.* per annum, and in the case of those in the Department on 7th July 1885 to 500 *l.* per annum. To be reduced as vacancies occur, from seven to five; the number of 2nd Class Clerks in the Department being increased by two, *pari passu*. Duty Pay at 50 *l.* per annum to be granted to a 2nd Class Clerk, on the reduction of the Junior Clerks to five.

Instead of—

Six Senior Clerks—(Salary and Allowances as given above).

Eight Junior Clerks—Salary 100 *l.*, rising by 15 *l.* annually to 400 *l.* per annum.

Miscellaneous Appointments and Departments:

Assistant to the Surveyor and Clerk of the Works—Salary 180 *l.*, rising by 10 *l.* annually to 250 *l.* per annum.

PENSIONS.

	AMOUNT PER ANNUM. £.	s.	d.
Home Service.			
Mr. Adolphus W. Moore, C.B., late an Assistant, Correspondence Department, India Office, pension granted on re-arrangement of Office	733	6	8
Mr. Trelawney W. Saunders, late Geographical Assistant, Correspondence Department, India Office, pension granted on re-arrangement of Office	275	–	–
Mr. Robert Michell, late Russian Interpreter to the Secretary of State, Correspondence Department, India Office, pension granted on abolition of appointment	258	6	8
Mr. Henry C. Williams, late Senior Clerk, Correspondence Department, India Office, allowance granted on retirement	175	–	–
Mr. William Fountain, late Viewer, India Store Depôt, pension granted on retirement	58	5	8
Mr. James Tidmarsh, late Draughtsman, India Office, pension granted on retirement	50	–	–
Miscellaneous.			
Mrs. Catherine L. Fox, Widow of Honorary Captain E. J. Fox, Bombay Army	36	–	–
Mrs. Sarah Wilkins, Widow of Honorary Captain J. F. Wilkins, Bombay Army	36	–	–
Mrs. Mary Clarke, Widow of Conductor J. Clarke, Bombay Army	20	–	–
Mrs. Maria Lynch, Widow of Conductor M. Lynch, Madras Army	20	–	–
Mrs. Mary A. Casey, Widow of Sub-Conductor J. H. Casey, Bengal Army	15	–	–
Mrs. Annie Darcey, Widow of Assistant Apothecary G. Darcey, Bengal Army	15	–	–

Thos. W. Keith, Accountant General.

No. 8.

ALLOWANCES, COMPENSATIONS, and SUPERANNUATIONS, granted between 1st April 1884, and 31st March 1886, under Act 21 & 22 Vict. c. 106, s. 18.

NAME.	OFFICE.	Period of Service.	Age.	Salary.	Annual Pension.
		Years.	*Years.*	£. s. d.	£. s. d.
Mr. John Banton - -	Keeper of Records, Accountant General's Department.	26	57	150 – –	100 – –
Mr. Charles Rose - -	Second Class Messenger -	27	54	108 18 9	72 12 6
Mr. Frederick A. Staples	Second Class Clerk, India Store Depôt	19	49	225 – –	71 5 –
Mr. George Steer - -	Second Class Messenger -	18	48	100 – –	30 – –

Thos. W. Keith, Accountant General.

No. 9.

STATEMENT of the NET EXPENDITURE incurred on account of the ROYAL INDIAN ENGINEERING COLLEGE, during the Year ended 31st March 1885.

	£. s. d.	£. s. d.
Salaries and Allowances of President, Professors, Lecturers, Examiners, Chaplain, &c. -		9,143 13 2
Steward's Salary, Wages of Servants, Expenses of the Laundry, &c. - - - -		2,209 7 4
Rates and Taxes, Maintenance of Building, Repairs of Furniture, &c. - - - -		1,705 6 9
Lights, Fuel, and other House Articles - - - - - - - - - -		927 18 9
Provisions, Wines, &c. - - - - - - - - - - - - -		3,630 6 6
Advertisements, Postage, Travelling Expenses, &c. - - - - - - - -		507 4 1
Library, Laboratory, Workshops, &c., and Expenses of Students visiting Works, &c. -		1,748 3 8
		19,872 – 3
Deduct:—		
Receipts on account of Garden, Farm, and Dairy, in excess of Expenditure - -		10 9 9
	£. s. d.	
Expenditure (page 15) - - - - - - - - - - -	20,712 12 6	19,861 10 6
Less,—Sale of Provisions, Farm Produce, &c. (page 4) - -	851 2 –	
Deduct:		
Fees and Caution Money received from Students:		
In England (page 4) - - - - - - £. s. d. 17,368 – –		
Less,—Refunds of Caution Money (page 15) 198 – 3		
	17,169 19 9	
In India:		
Finance and Revenue Accounts, page 133 - 95 – –		
„ „ „ 134 - 2,194 – –		
	2,289 – –	
		19.458 19 9
Net Expenditure, excluding Interest on Capital Outlay - - - £.		402 10 9

Cost of alterations and additions to the College Buildings (page 15) - - - - £. 592 17 –

Thos. W. Keith, Accountant General.

No. 10.

INDO-EUROPEAN GOVERNMENT TELEGRAPH DEPARTMENT.

SUMMARY of EXPENDITURE on CAPITAL ACCOUNT, to 31st March 1885.

			£. s. d.
Total Capital Expenditure to 31st March 1884			1,105,826 12 5
Capital Expenditure from 1st April 1884 to 31st March 1885:—			
	Charges.	Credits.	
IN INDIA:	£. s. d.	£. s. d.	
Works	2,350 18 3	—	
„ (Expenditure of Public Works Department)	1,171 15 9	—	
Suspense Heads:			
Stores (Transfers from Revenue Account*)	15,566 12 –	661 – –	
„	14,777 7 7	26,877 16 2	
Advances	6,762 13 1	5,470 17 2	
Sales	– – –	3 7 –	
Tools and Plant	151 19 10	—	
Cable Steamer	*—389 12 10*	—	
	40,391 13 8	33,013 – 4	
As above	£. s. d. 40,391 13 8		
„	*—33,013 – 4*		
	7,378 13 4		
Transfers (*see* Revenue Account)	*—179 18* –		
Finance and Revenue Accounts, p. 52	£. 7,198 15 4		
IN ENGLAND:			
Suspense Head, Stores	16,947 10 –	—	
TOTAL £.	57,339 3 8	33,013 – 4	24,326 3 4
			1,130,152 15 9
Deduct:—			
Miscellaneous Receipts in India			1,200 – –
	£. s. d.		
As above	1,200 – –		
Less, Transfers, *see* Revenue Account	1,139 6 –		
Finance and Revenue Accounts, p. 52	£. 60 14 –		
TOTAL Capital Expenditure to 31st March 1885		£.	1,128,952 15 9

* *See* Note to Revenue Account.

Dr. REVENUE ACCOUNT for the Year ended 31st March 1885. *Cr.*

	Persian Gulf Section.	Persian Section.	£. s. d.
To TRAFFIC EARNINGS during Year:	£. s. d.	£. s. d.	
GROSS EARNINGS - - - - - - - - - -	89,689 7 9	10,782 17 1	
COMMON PURSE:			
Credits - - - - - - - - - - -	74,961 16 3	10,414 13 –	
Debits - - - - - - - - - - -	67,248 3 4	9,361 19 8	
BALANCE due to Common Purse - - £.	7,713 12 11	1,052 13 4	
TOTAL Traffic Receipts - - - £.	81,975 14 10	9,730 3 9	91,705 18 7
To MISCELLANEOUS RECEIPTS:			
In India - - - - - - - - - - -	181 16 7	1,772 2 1	1,953 18 8
To PROFIT AND LOSS:			
Unsettled Traffic, 1881-82, written off - - - -	39 9 10	—	
Exchange - - - - - - - - - - -	—20 19 3	15 – 2	
£.	18 10 7	15 – 2	33 10 9
£.			93,693 8 –

	£. s. d.	£. s. d.
As above - - - - - - - - -	181 16 7	1,772 2 1
Transfers, *see* Capital Account - - -	—60 14 –	1,200 – –
Finance and Revenue Accounts, p. 52 - £.	121 2 7	2,972 2 1

	Persian Gulf Section.	Persian Section.	£. s. d.
By EXPENDITURE during Year:	£. s. d.	£. s. d.	
LINE MAINTENANCE AND WORKING:			
In India - - - - - - - - - -	51,791 12 –	19,002 6 –	
Transfers to Capital (Suspense Head, Stores) * - -	—15,566 12 –	661 – –	
	36,225 – –	19,663 6 –	
In England - - - - - - - - - -	4,895 11 7	2,406 19 3	
£.	41,120 11 7	22,070 5 3	63,190 16 10
By Balance, being Excess of Receipts over Charges - - - - - - - - - -			30,502 11 2
			£. 93,693 8 –

	£. s. d.	£. s. d.
As above - - - - - - - - -	36,225 – –	
" - - - - - - - - -	19,663 6 –	
Transfers (*see* Capital Account) - - - -	179 18 –	
Finance and Revenue Accounts, p. 52 - £.	56,068 4 –	

* Store Adjustments in India, as follows:

	£. s. d.
Store Balance on 31st March transferred to Capital - - - - -	19,763 – –
Credit to Revenue under Stores in 1881-82 - ditto - - - - -	4,196 8 –
£.	15,566 12 –
Store Balance in Persian Section prior to 1879-80, transferred to Capital -	661 – –

(*See* also Capital Account.)

Expenditure in England.

	£. s. d.
As above - - - - - - - - - - - -	4,895 11 7
" - - - - - - - - - - - -	2,406 19 3
Capital Account - - - - - - - - - - -	16,917 10 –
Amount in Home Accounts, page 5 - - - £.	24,220 – 10

No. 10.—INDO-EUROPEAN GOVERNMENT TELEGRAPH DEPARTMENT—*continued.*

TRANSACTIONS on REVENUE ACCOUNT during the Year ended 31st March 1885, showing their agreement with the FINANCE and REVENUE ACCOUNTS.

	£. s. d.	£. s. d.	£. s. d.
Amounts Receivable or in Suspense - - - -	- - -	18,973 19 -	
Less,—			
Payable or in Suspense - - - - - - -	- - -	4,416 5 2	
			14,557 13 10
CASH RECEIPTS during the Year:			
In India (Finance and Revenue Accounts, p. 52) -	79,259 8 3		
Transfers (*see* Capital Account) - - - -	—1,139 6 -		
		78,120 2 3	
In England (Home Accounts, p. 2) - - -	- - -	23,429 18 6	
		101,550 - 9	
Less, EXPENDITURE:			
In India (Finance and Revenue Accounts, p. 52) -	56,068 4 -		
Transfers (*see* Capital Account) - - - -	—179 18 -		
	55,888 6 -		
In England - - - - - - - - -	7,302 10 10		
		63,190 16 10	38,359 3 11
			23,801 10 1
Add,—			
Amounts Outstanding, carried forward, viz.:			
Amounts Receivable or in Suspense - - - - - -		12,817 9 9	
Less,—			
Payable or in Suspense - - - - - - - - -		6,116 8 8	
			6,701 1 1
BALANCE, as per REVENUE ACCOUNT - - -		£.	30,502 11 2

London Office,
28 April 1886.

A. Brasher,
Director of Traffic.

No. 11.

ACCOUNT of the CHARGES and RECEIPTS in respect of the INDIAN TROOP SERVICE, from 1st April 1884 to 31st March 1885.

	£.	s.	d.
1. Capital Charges of the Service	—		
2. Salaries, &c. of Establishments in England, Egypt, and India	8,356	10	2
3. Repairs and Naval and Gunners' Stores for the Troop Ships	91,297	7	–
4. Furniture, Lamps, and Mess Articles for the Troop Ships	4,689	8	10
5. Coals for the Troop Ships	43,001	3	–
6. Mess of Officers on board the Troop Ships	34,999	17	7
7. Provisions and Stores for Troops and Horses	46,091	6	–
8. Pay, Victualling, &c. of the Crews of the Troop Ships	79,702	6	3
9. Miscellaneous Charges of the Troop Ships	3,616	16	2
10. Suez Canal Transit Charges	35,613	7	11
11. Repairs, Stores, &c. for the Steam Tender and Boats, and for the Royal Victoria Buildings at Suez	1,218	7	3
12. Miscellaneous Expenses of the Service	7,092	3	1
13. Cost of Conveyance of Troops in other than Indian Troop Ships	13,943	7	10
	369,622	1	1

Deduct.—	£.	s.	d.			
Receipts from the Imperial Government for employment of the Troop Ships, and for passage of Officers and Men, &c. conveyed on Imperial Service	19,216	3	10			
Sale of Steam Tender "Prompt" to the Imperial Government	1,500	–	–			
Credits in respect of the conveyance of Passengers, Stallions, and Stores on the General Service of India	2,958	12	9			
Recoveries on account of the Messing of Officers, &c., and the Rations of Troops	30,684	13	5			
Proceeds of Sale of Old and Unserviceable Stores, and recoveries for losses or damages of Stores and for Forage supplied to Officers' Horses	5,763	4	6			
				60,122	14	6
			£.	309,499	6	7

Net Expenditure as shown in the Home Accounts:—	£.	s.	d.	£.	s.	d.
Disbursements (page 15)	354,228	17	–			
Receipts (page 6)	53,381	5	5			
				300,847	11	7
Net Expenditure in Finance and Revenue Accounts:—						
Disbursements (page 158)	13,034	–	–			
Receipts (page 152)	4,382	–	–			
				8,651	15	–
				309,499	6	7

F. W. Sullivan,
Director of Transports.

I concur.
A. W. Chitty,
Consulting Officer, Indian Troop Service.

Admiralty, 19 Nov. 1885.

No. 12. - - - - - - - -

COMPARISON of the ESTIMATED and ACTUAL RECEIPTS and DISBURSEMENTS

RECEIPTS.	1884–85.		Increase.	Decrease.	
REVENUE:	Budget Estimate, March 1884.	Account.			
FOREST:	£.	£.	£.	£.	
Receipts from Students for the Indian Forest Department, on account of their expenses at the Forest School at Nancy - - - -	1,400	1,768	368	- -	1
INTEREST:					
Interest realised from Investment of Cash Balance, &c. - - -	10,000	31,884	21,884	- -	2
Premium realised on the sale of 85,000 *l.* India 3½ per Cent. Stock -	- -	3,028	3,028	- -	3
TELEGRAPH:					
Indo-European Telegraph - - - - - - - - -	25,800	23,430	- -	2,370	4
MINT:					
Proceeds of Sales of Indian Coins sent to this Country for Assay -	- -	20	20	—	5
MEDICAL:					
Pensions, &c., of Inmates of the Royal India Lunatic Asylum, appropriated to their maintenance, &c. - - - - - - - -	2,000	2,461	461	—	6
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:					
Sale Proceeds of Books, Maps, &c. - - - - - - - -	500	613	113	—	7
RECEIPTS IN AID OF SUPERANNUATION ALLOWANCES AND PENSIONS:					
Subscriptions, &c. to the Widows' Funds of the Home Establishment of the East India Company - - - - - - - -	9,500	9,785	285	—	8
Subscriptions to the Bengal Civil Service Annuity Fund, the Bombay Civil Fund, the Indian Military and Medical Funds, and the Indian Navy Fund - - - - - - - - - - - - - -	90,000	88,236	- -	1,764	9
MISCELLANEOUS:					
Miscellaneous receipts connected with the supply of Stores to India, and sundry items - - - - - - - - - - -	8,000	9,064	1,064	- -	10
RAILWAYS:					
STATE RAILWAYS:					
East Indian Railway: Rent of Premises occupied by the Company	200	230	30	—	11
SUBSIDIZED COMPANIES:					
Receipts in reduction of Advances of Interest:					
Bengal Central Railway - - - - - - - - -	- -	202	202	—	12
Rohilkund and Kumaon Railway - - - - - - -	- -	295	295	—	13
BUILDINGS AND ROADS:					
CIVIL WORKS AND MISCELLANEOUS SERVICES:					
Royal Indian Engineering College: Fees from Students, &c. -	22,600	18,219	- -	4,381	14
ARMY:					
Effective.					
Value of Clothing, Accoutrements, &c. in possession of Regiments on their transfer from the Indian to the British Establishment; proceeds of Sales of unserviceable Stores; receipts on account of the Indian Troop Service; recoveries on account of Messing, &c. - - - - - - - - - - - - - - -	48,000	64,436	16,436	- -	15
Non-effective.					
Subscriptions towards Indian Service Family Pensions, &c. - -	3,200	3,283	83	—	16
TOTAL RECEIPTS ON ACCOUNT OF REVENUE - - £.	221,200	256,954			

No. 12.

of the HOME TREASURY of the GOVERNMENT of *India*, for the Year 1884-85.

	EXPLANATIONS OF INCREASE OR DECREASE.
1	Owing to an alteration in the date of the commencement of the term at the Forest School, which also caused an increase in the expenditure under this head.
2	Owing to the favourable state of the market, the loan of 3,000,000 *l.* was issued in May to provide the money required for the discharge of Debentures in August, consequently the Cash Balance was abnormally large during that period. Moreover, the rate of interest obtainable in the latter part of the year was unusually high.
3	The sale of this Stock was not anticipated when the Budget Estimate was framed.
4	Payments on the Common Purse Account, which were shown as disbursements in the Budget Estimate, have, in the Account, been deducted from receipts. The decrease would have been larger had it not been for an increase of traffic.
10	The fines and penalties remitted, which had been provided for as payments in the Budget Estimate, have, in the Account, been deducted from receipts, but the consequent decrease was more than balanced by an increase in the receipts on other accounts included under this head.
14	Owing to there being a smaller number of Students at the College than was expected.
15	The increase occurs in receipts on account of the Indian Troop Service, owing to the employment of Troop Ships on Imperial Service.

No. 12.—Comparison of the Estimated and Actual Receipts and Disbursements

RECEIPTS—*continued.*	1884-85. Budget Estimate, March 1884.	1884-85. Account.	Increase.	Decrease.	
	£.	£.	£.	£.	
Brought forward - - -	221,200	256,954			
DEBT:					
PERMANENT DEBT INCURRED:					
Sum required for discharge of India Debentures - - - -	6,906,500	- -	- -	6,906,500	1
India 3 per Cent. Stock: Loan issued - - - - - -	- -	3,000,000	3,000,000	- -	2
India 3½ per Cent. Stock sold - - - - - - - -	- -	95,000	95,000	- -	3
India 3½ per Cent. Stock, created under Act 44 & 45 Vict. c. 53:					
In redemption of 4,610 *l.* of the East Indian Railway Annuity -	- -	115,248	115,248	- -	4
In redemption of 15,400 *l.* East Indian Railway 4½ per Cent. Debenture Stock - - - - - - - - - -	- -	18,480	18,480	- -	5
In redemption of 10,244 *l.* Eastern Bengal Railway 4 per Cent. Debenture Stock - - - - - - - - - -	- -	11,064	11,064	- -	6
India 3 per Cent. Stock, created under Act 44 & 45 Vict. c. 53:					
In redemption of 7,680 *l.* of the East Indian Railway Annuity -	- -	215,243	215,243	- -	7
In redemption of 24,210 *l.* East Indian Railway 4½ per Cent. Debenture Stock - - - - - - - - - -	- -	32,597	32,597	- -	8
In redemption of 600 *l.* Eastern Bengal Railway 4 per Cent. Debenture Stock - - - - - - - - - -	- -	708	708	- -	9
Debentures and Debenture Stock of the Eastern Bengal Railway Company for which the Secretary of State incurred the liability on the purchase of that Company's Undertaking - - - -	873,700	811,616	- -	62,084	10
TEMPORARY DEBT INCURRED:					
Temporary Loans on security of East India Bonds - - - -	- -	750,000	750,000	- -	11
RECEIPTS ON ACCOUNT OF SERVICE FUNDS BEARING INTEREST:					
India Office Provident Fund - - - - - - - - -	4,600	4,547	- -	53	12
	7,784,800	5,054,503			
DEPOSITS AND ADVANCES:					
REPAYMENT OF ADVANCES:					
Repayment of Disbursements in England for purchase of Malt Liquor on behalf of the Imperial Government - - - - -	- -	2,035	2,035	—	13
MISCELLANEOUS DEPOSITS:					
From Her Majesty's Treasury: Instalment of the Grant in aid of 3,000,000 *l.* on account of the Afghan War, treated as Revenue Receipts in the years 1880-81 and 1881-82 - - - - -	500,000	250,000	- -	250,000	14
	500,000	252,035			
CAPITAL RECEIPTS FROM RAILWAY COMPANIES:					
On account of Subscribed Capital - - - - - - -	1,940,000	2,836,111	896,111	- -	15
On account of Transfer Fees and Miscellaneous Refunds -	- -	20,060	20,060	—	16
	1,940,000	2,856,171			
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:					
Repayments by Her Majesty's Treasury and other Public Departments, in respect of—					
Bills drawn on India by the Officer in charge of the Treasury Chest at Hong Kong - - - - - - - - - - - -	170,000	199,063	29,063	- -	17
Advances in India on account of Emigration of Coolies, Chelsea Out-pensioners paid in India, Supplies to Her Majesty's Ships on the East India Station, &c. - - - - - - - - - -	94,000	185,546	91,546	- -	18
Estates remitted from India by Administrators General by means of Bills on London - - - - - - - - - - - -	20,000	18,756	- -	1,244	19
East Indian Railway Company: Transfer Fees and Miscellaneous Refunds	500	1,506	1,006	—	20
Miscellaneous Receipts - - - - - - - - - - -	12,000	3,867	- -	8,133	21
Bills of Exchange and Telegraphic Transfers on India - - - -	16,500,000	13,758,909	- -	2,741,091	22
	16,796,500	14,167,647			
Total Receipts - - - £.	27,242,500	22,587,310			

of the Home Treasury of the Government of *India*, for the Year 1884-85—*continued.*

	EXPLANATIONS OF INCREASE OR DECREASE.
1 2 3	To discharge the India Debentures which fell due in August 1884, amounting to 8,006,500 *l.*, it was estimated that it would be only necessary to borrow 6,906,500 *l.*, the remaining 1,100,000 *l.* being provided out of the Cash Balance. £. 5,000,000 of the Debentures were, however, renewed, which would have left only 1,906,500 *l.* to be borrowed, but in consequence of the reduction of Drawings on India it was found necessary to borrow 3,095,000 *l.*
4 5 6 7 8 9	In the uncertainty as to what amounts of the East Indian Railway Annuity and Debenture Stock, and of the Eastern Bengal Railway Debenture Stock, might be offered for redemption during 1884–85, it seemed undesirable to insert any sums in the Budget Estimate, as the Balance would not be affected.
10	£. 62,042 Debenture Stock of the Eastern Bengal Railway Company was redeemed by the issue of India 3½ per cent. Stock. prior to the date of purchase. The further difference of 42 *l.* is owing to the Estimate being in round figures.
11	In the uncertainty as to the amount that it would be requisite to borrow temporarily, it was not thought expedient to enter any sum in the Budget Estimate. The amount was repaid within the year.
14	The instalment for the year 1884-85 was received in the year 1883–84. The amount shown in the Account is one moiety of the instalment due in the year 1885-86.
15	The Estimates are framed in communication with the Railway Companies. After the Budget Estimate had been framed, permission was given to the Southern Mahratta Railway Company to raise money by Debentures, to the extent of 1,700,000 *l.*, on account of the West Deccan Line. On the other hand, the receipts from the Bombay, Baroda, and Central India, the Oude and Rohilkund, and the South Indian Railway Companies fell short of the Estimate by 472,420 *l.*, 199,947 *l.*, and 135,800 *l.* respectively, in the latter case owing to Debentures for that amount having been renewed.
16	These receipts are very uncertain and generally small, and consequently they are not estimated for by the Companies.
17	The amount of Bills drawn was greater than was estimated in March 1884.
18	The Account includes 7,776 *l.* on account of the Expedition to Egypt in 1882, 10,594 *l.* in respect of that to Natal, and 11,080 *l.* for the Agency Buildings at Zanzibar. The remainder of the difference occurs mainly in repayments of advances on account of Coolie Emigration, and Supplies to Her Majesty's Ships.
21	The Budget Estimate included a probable receipt of 10,000 *l.* for the sale of Chinchona Bark, which was not sent home for sale as expected.
22	This is approximately the equivalent of 350 lakhs at 1 *s.* 7½ *d.* the rupee, by which sum the Secretary of State consented to reduce the drawings, if that amount could be economically spent from borrowed money on Public Works in India during the year.

No. 12.—Comparison of the Estimated and Actual Receipts and Disbursements

DISBURSEMENTS. **EXPENDITURE:**	1884–85. Budget Estimate, March 1884.	1884–85. Account.	Increase.	Decrease.	
	£.	£.	£.	£.	
LAND REVENUE:					
Law Charges in connection with Appeals from India	400	169	- -	231	1
Stores for India	200	243	43	—	2
OPIUM:					
Stores for India	900	3,305	2,405	- -	3
SALT:					
Stores for India	- -	73	73	—	4
STAMPS:					
Stores for India	44,100	45,528	1,428	—	5
EXCISE:					
Stores for India	- -	42	42	—	6
FOREST:					
Expenses attending the instruction of successful Candidates for the Indian Forest Department, &c.	3,200	3,881	681	- -	7
INTEREST ON DEBT (EXCLUDING THAT CHARGED TO RAILWAYS):					
Interest on Loans contracted in England	2,365,200	2,377,650	12,450	- -	8
Interest on the Indian Transfer Loan of 22nd April 1854	45,500	45,306	- -	194	9
Discount on the issue of 3,000,000 *l.* India 3 per Cent. Stock	- -	184,184	184,184	- -	10
Commission on renewals of India Debentures	- -	2,547	2,547	- -	11
INTEREST ON OTHER OBLIGATIONS:					
Interest on the Balance of the India Office Provident Fund	1,100	1,117	17	—	12
Interest on Deposits in Regimental Savings Banks of Men returned from India	4,000	1,853	- -	2,147	13
POST OFFICE:					
Payments under the Postal arrangement with the Lords of Her Majesty's Treasury	70,000	70,000	—	—	14
Subsidy to the Euphrates and Tigris Steam Navigation Company, on account of the Mail Service between Bussorah and Bagdad	3,600	1,200	- -	2,400	15
Deputation allowance of the Representative of British India at the Postal Congress at Lisbon, &c.	- -	970	970	—	16
Stores for India	27,400	44,628	17,228	- -	17
TELEGRAPH:					
Indo-European Telegraph	26,500	24,250	- -	2,250	18
Red Sea and India Telegraph	18,000	18,027	27	—	19
Indian Telegraph Department: Absentee Allowances and Contingent Expenses	9,500	5,468	- -	4,032	20
Telegraph Lines in India: Stores for India	139,500	132,782	- -	6,718	21
MINT:					
Stores for India	15,300	9,698	- -	5,602	22
Other Payments	- -	99	99	—	23
GENERAL ADMINISTRATION:					
Home Establishments, &c.	221,900	221,121	- -	779	24
Payments on account of Administration in India	1,000	9,396	8,396	- -	25
Stores for India	10,400	4,413	- -	5,987	26
LAW AND JUSTICE:					
Stores for India	400	134	- -	266	27
Other Payments	2,000	950	- -	1,050	28
MARINE:					
Contribution towards the Expenses of Her Majesty's Ships employed in the Indian Seas	84,000	79,066	- -	4,934	29
Expenses incurred in connection with the Repair in this Country of the Indian Government Steamer "Tenasserim"	- -	15,048	15,048	- -	30
Sundry items	2,000	2,967	967	—	31
Stores for India	50,600	57,575	6,975	- -	32
EDUCATION:					
Passage to India of Educational Officers on appointment, &c.	100	280	180	- -	33
ECCLESIASTICAL:					
Passage to India of Chaplains on appointment	300	512	212	- -	34
MEDICAL:					
Expenses of the Royal India Lunatic Asylum, Maintenance of Lunatics elsewhere, and other charges	7,600	7,880	280	- -	35
POLITICAL:					
Mission to the Court of Persia	10,000	10,000	—	—	36
Her Majesty's Establishments in China	15,000	15,000	—	—	37
Sundry items	2,000	5,807	3,807	- -	38
Stores for India	300	1,181	881	- -	39
Carried forward £.	3,182,000	3,404,350			

of the Home Treasury of the Government of *India*, for the Year 1884–85—*continued*.

	EXPLANATIONS OF INCREASE OR DECREASE.
3	This increase is owing to machinery having been indented for in excess of the estimate received from India.
7	Partly owing to an alteration in the date of the commencement of the term at the Forest School, and partly to the larger salary of the officer in charge of the students.
8	The Account includes 67,500 *l.* for interest on India 3 per cent. Stock; on the other hand, there is a decrease of 34,000 *l.* in the interest on Debentures (owing to 5,000,000 *l.* only having been renewed), of 16,856 *l.* on Temporary Loans, and of 4,194 *l.* in the payments of outstanding Dividends.
10	The issue of Stock at a Discount was not anticipated when the Budget Estimate was framed.
11	The renewal of these Debentures was not provided for in the Budget Estimate.
13	The claims for arrears were less than was anticipated.
15	Under the new Contract with the Company, the subsidy is payable from 1st May 1884 by means of Bills drawn on India, and consequently ceases to be a payment in England.
17	The Estimate received from Bombay fell far short of the requirements of that Presidency.
18	Payments on the Common Purse Account, which were shown as disbursements in the Budget Estimate, have, in the Account, been deducted from the receipts under this head. The decrease would have been larger, had it not been for certain unforeseen payments for Stores.
20	The decrease occurs in the Absentee Allowances.
21, 22	The payments on these accounts were not made as rapidly as was anticipated.
25	The Account includes Passage and Outfit Allowances of the Governor General, and of the Governor of Bombay, as well as a portion of the expenses incurred in bringing home the Marquis of Ripon and his suite,—which charges, when the Budget was framed, were not expected until 1885-86.
26	The decrease occurs in the payments for Currency Notes.
28	The Budget Estimate included Outfit Allowance for a Chief Justice and two Puisne Judges, but no Puisne Judges proceeded to India during the year.
29	Owing to the full complement of vessels not having been employed for a portion of the year.
30	This expenditure was not anticipated when the Budget Estimate was framed.
32	The Estimate received from Bombay fell short of the requirements of that Presidency.
33, 34	Three Educational Officers and four Chaplains went to India during the year beyond the number anticipated.
35	The excess is more than accounted for by the payment of the expenses attending the deputation sent to India to conduct investigations regarding Cholera.
38	The Account includes 3,062 *l.* on account of the Afghan Boundary Commission. The remainder of the increase is consequent on the expenses of the British Delegate to Lisbon in connection with the Goa Treaty.
39	The indents received exceeded the estimate which was framed in this country in the absence of information from India.

No. 12.—Comparison of the Estimated and Actual Receipts and Disbursements

DISBURSEMENTS—*continued.* **Expenditure**—*continued.*	1884-85. Budget Estimate, March 1884.	1884-85. Account.	Increase.	Decrease.	
	£.	£	£.	£.	
Brought forward	3,182,000	3,404,350			
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:					
Stores for India	8,300	8,492	192	—	1
Other Payments	11,500	7,325	- -	4,175	2
TERRITORIAL AND POLITICAL PENSIONS:					
His Highness Maharajah Duleep Singh	21,100	21,065	- -	35	3
His Highness Nawab Nazim Syed Munsoor Ali	10,000	7,609	- -	2,391	4
Nawab Syed Ahmed Ali	200	200	—	—	5
CIVIL FURLOUGH AND ABSENTEE ALLOWANCES	220,000	198,275	- -	21,725	6
SUPERANNUATION ALLOWANCES AND PENSIONS	1,422,000	1,418,741	- -	3,259	7
STATIONERY AND PRINTING:					
Stationery, Printing, and Bookbinding for the India Office, &c.	8,000	3,778	- -	4,222	8
Stores for India	148,500	125,830	- -	22,670	9
MISCELLANEOUS:					
Examination Expenses and Allowances of Candidates for the Civil Service of India, &c.	16,500	16,246	- -	254	10
Miscellaneous Charges connected with the Supply of Stores to India	15,500	15,670	170	—	11
RAILWAY REVENUE ACCOUNT:					
State Railways—Working Expenses	5,000	- -	- -	5,000	12
State Railways—Interest on Debt:					
East Indian Railway	322,200	326,908	4,708	- -	13
Eastern Bengal Railway	25,700	26,418	718	- -	14
State Railways—Annuities in Purchase of Railways (including Sinking Funds):					
East Indian Railway	1,187,000	1,185,421	- -	1,579	15
Eastern Bengal Railway	68,100	35,161	- -	32,939	16
Guaranteed Companies—Interest	3,235,000	3,217,240	- -	17,760	17
Subsidized Companies—Advances of Interest:					
Bengal Central Railway	14,600	29,675	15,075	- -	18
Rohilkund and Kumaon Railway	7,600	6,720	- -	880	19
IRRIGATION:					
Minor Works and Navigation:					
Stores for India	200	65	- -	135	20
BUILDINGS AND ROADS:					
Military Works:					
Stores for India	3,800	5,071	1,271	—	21
Civil Works and Miscellaneous Services:					
Furlough Pay and Allowances of Officers in the Public Works Department	56,000	39,149	- -	16,851	22
Royal Indian Engineering College	22,000	21,503	- -	497	23
Sundry items	5,000	4,631	- -	369	24
Stores for India	100	1,017	917	- -	25
ARMY:					
Effective:					
Home Charges of British Forces serving in India	600,000	611,351	11,351	- -	26
Furlough Allowances of Officers of the Indian Service	185,000	164,105	- -	20,895	27
Indian Troop Service	288,200	354,229	66,029	- -	28
Passage of Officers and Troops otherwise than in Troop Ships	4,700	4,288	- -	412	29
Miscellaneous	21,000	17,787	- -	3,213	30
Stores for India	500,900	462,378	- -	38,522	31
Non-Effective:					
Retired Pay, &c., of British Forces, on account of service in India	828,000	830,994	2,994	—	32
Pay and Pensions of Non-Effective and Retired Officers of the Indian Service	1,440,000	1,424,268	- -	15,732	33
Miscellaneous Pensions, &c. (formerly described as Lord Clive's Fund)	103,000	98,666	- -	4,334	34
Indian Service Family Pensions	5,500	5,676	176	—	35
War Medals	1,000	680	- -	320	36
Total Expenditure chargeable against Revenue carried forward £.	13,993,200	14,100,982			

of the Home Treasury of the Government of *India*, for the Year 1884-85—*continued.*

	EXPLANATIONS OF INCREASE OR DECREASE.
2	There was a decrease under several of the subdivisions of this head.
4	His Highness died on the 4th of November 1884.
6	There was a decrease under all the subdivisions of this head.
7	The decrease occurs under several heads.
8	Claims were made by the Stationery Office within the year for printing and paper in respect of two quarters only.
9	The indents received from Bengal fell short of the estimate sent from Calcutta.
11	The remissions of fines and penalties, which were included as payments in the Budget Estimate, have in the Account been deducted from the receipts under this head; but, on the other hand, the payments on account of Marine Insurance, &c., exceeded the Estimate.
12	This sum was included in the Budget Estimate to provide for probable miscellaneous expenses attending the transfer of the Eastern Bengal Railway to Government; but all such expenses were charged against the Revenue of the Railway for the half year ending 30th June 1884.
13	The net increase is owing to the issue of India Stock, not provided for in the Budget Estimate, in redemption of portions of the East Indian Railway Annuity and Debenture Stock and of the Eastern Bengal Railway Debenture Stock, involving payments in 1884–85 which would not otherwise have become due until 1885-86.
15	
16	When the Budget Estimate was prepared it was anticipated that the Annuity would be payable on the 1st of January and the 1st of July, and that consequently a half-year's payment would be made on the 1st of January 1885; but, owing to its having been decided to pay it on the 1st of April and 1st of October, the payment for three months on the 1st of October 1884 was the only one within the year 1884–85.
17	Owing to the Capital not having been paid up as early as was anticipated.
18	When the Budget Estimate was prepared, it was expected that the advances of interest would cease on the 30th June 1884, but it was subsequently decided to continue them.
22	The decrease occurs in the payments to Military Officers employed in the Public Works Department.
25	Owing to the payment for a Steam Road Roller for Central India having been made in this year, instead of in 1883-84 as anticipated.
26	The increase occurs in the provision for "Deferred Pay."
27	Consequent on the decrease in the number of Officers on furlough.
28	The increase is owing to the employment of troopships on Imperial Service (*see* explanation against "Army" Receipts), to the use of hired transports in addition to the troopships, and to the acceleration of the payment of Admiralty claims against the Service.
30	The decrease is principally owing to the payments for Medical Officers at Netley having been less than was anticipated.
31	The decrease occurs principally under the head of Malt Liquor.
33	The payments on this account did not increase so much as in previous years.

No. 12.—Comparison of the Estimated and Actual Receipts and Disbursements

DISBURSEMENTS—*continued.*	1884-85. Budget Estimate, March 1884.	1884-85. Account.	Increase.	Decrease.	
	£.	£.	£.	£.	
Brought forward - - -	13,993,200	14,100,982			
EXPENDITURE NOT CHARGED TO REVENUE:					
CAPITAL OUTLAY ON RAILWAYS AND IRRIGATION WORKS:					
State Railways: Stores for India, &c. - - - - - - - - - -	1,012,000	1,077,705	65,705	- -	1
Irrigation Works: Stores for India - - - - - - - - - - -	500	3,756	3,256	- -	2
Purchase of the Madras Irrigation and Canal Company's Undertaking - - - - - - - - - - -	- -	702	702	- -	3
	1,012,500	1,082,163			
CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES, &c.:					
East Indian Railway: Capital Charge involved in the Redemption of portion of the Annuity, and of the Debenture Stock, by the issue of India 3½ and 3 per Cent. Stock - - - - - - - - -	- -	341,958	341,958	- -	4
Eastern Bengal Railway: Discharge of Debentures of the Company which fell due 19th May 1884, in anticipation of the purchase - - - - -	150,000	150,000	—	—	5
Amount of Debentures and Debenture Stock of the Company for which the Secretary of State incurred the liability on the purchase - - - - - - - - - - -	873,700	811,616	- -	62,084	6
Capital Charge involved in the Redemption of portion of the Debenture Stock, by the issue of India 3½ and 3 per Cent. Stock - - - - - - - - - - -	- -	11,172	11,172	- -	7
	1,023,700	1,314,746			
DEBT:					
PERMANENT DEBT DISCHARGED: East India Bonds - - - - - - - - - - -	- -	1,200	1,200	- -	8
India Debentures falling due 16th August 1884 - - - -	8,006,500	3,005,500	- -	5,001,000	9
India 5 per Cent. Stock - - - - - - - - - - -	- -	363	363	- -	10
East Indian Railway 4½ per Cent. Debenture Stock - - - -	- -	39,610	39,610	- -	11
Eastern Bengal Railway 4 per Cent. Debenture Stock - - -	- -	600	600	- -	12
Eastern Bengal Railway Debentures falling due 1st November 1884 -	52,600	52,450	- -	150	13
TEMPORARY DEBT DISCHARGED: Temporary Loans on Security of East India Bonds - - - - -	- -	750,000	750,000	- -	14
PAYMENTS OUT OF DEPOSITS OF SERVICE FUNDS BEARING INTEREST: India Office Provident Fund - - - - - - - - - -	1,000	809	- -	191	15
	8,060,100	3,850,532			
DEPOSITS AND ADVANCES:					
ADVANCES REPAYABLE: For purchase of Malt Liquor on behalf of the Imperial Government, &c.	- -	2,666	2,666	—	16
PAYMENTS TO RAILWAY COMPANIES ON CAPITAL ACCOUNT:					
For Discharge of Debentures - - - - - - - - -	1,255,000	1,032,700	- -	222,300	17
On account of Stores, Establishment Charges, &c. - - -	1,807,400	1,773,183	- -	34,217	18
	3,062,400	2,805,883			
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:					
Payments to Her Majesty's Treasury and other Public Departments on account of Postage collected in India, sums received in India for Money Orders, &c - - - - - - - - - - - - - -	150,000	195,728	45,728	- -	19
Advances on account of the Bengal and Madras Civil Funds - - -	149,000	146,000	- -	3,000	20
Family Remittances, Remittances by Administrators General, &c. - -	400,000	318,609	- -	81,391	21
East Indian Railway Company: Advances for purchase of Stores, &c. -	700,000	404,629	- -	295,371	22
Stores chargeable to Provincial and Local Funds, and to Native States -	166,000	134,577	- -	31,423	23
Miscellaneous Payments to be brought to charge or recovered in India -	69,500	94,638	25,138	- -	24
	1,634,500	1,294,181			
Total Disbursements - - - £.	28,786,400	24,451,153			

India Office, 11 May 1886.

of the Home Treasury of the Government of *India*, for the Year 1884-85—*continued.*

EXPLANATIONS OF INCREASE OR DECREASE.

1 The Account includes the sum of 201,315 *l.* on account of Frontier Railways, but the Payments for Stores for other Railways were not made as rapidly as was anticipated.

2 It was anticipated that the excess payment would have been made in the previous year.

3 Law Charges in connection with the purchase, which it was expected would be paid in 1883-84.

4 *See* explanation against "Permanent Debt Incurred." The sum of 341,958 *l.* is made up in the following manner:—

	£.
Amount of India 3½ and 3 per Cent. Stock issued in exchange for portion of the Annuity	330,491
Excess in the amount of India 3½ and 3 per Cent. Stock issued in exchange for Debenture Stock, over the amount of Debenture Stock redeemed	11,467
	£. 341,958

6 £. 62,042 *l.* Debenture Stock of the Eastern Bengal Railway Company was redeemed by the issue of India 3½ per Cent. Stock prior to the date of purchase. The further difference of 42 *l.* is owing to the Estimate being in round figures.

7 *See* explanation against "Permanent Debt Incurred."

8 This is the balance of East India Bonds which fell due on the 30th November 1881.

9 Debentures to the amount of 5,000,000 *l.* were renewed at 3½ per Cent. per annum; and Debentures amounting to 1,000 *l.* were not presented for payment within the year.

10 The principal of this Stock became payable on the 5th July 1880, but there is still a portion remaining unclaimed.

11 12 The amount of East Indian Railway Debenture Stock, and of Eastern Bengal Railway Debenture Stock, redeemed by the issue of India Stock. (*See* explanation against "Permanent Debt Incurred.")

14 *See* explanation against "Temporary Debt Incurred."

17 In the Budget Estimate provision was made for the discharge of all the Railway Debentures falling due in the year, but Debentures for 222,300 *l.* were renewed.

18 The Estimates are framed on information furnished by the Railway Companies.

19 The increase occurs in the payments on account of Indian Money Orders.

20 The advances on account of the Madras Civil Fund have decreased.

21 The decrease occurs in Family Remittances.

22 The original Estimate furnished by the Railway Company was 960,000 *l.*, but 700,000 *l.* was thought sufficient for insertion in the Budget Estimate.

23 Payments under the various sub-divisions of this head fell short of the Estimates received from India by nearly 50,000 *l.* On the other hand, payments amounting to 17,104 *l.* for Arms, &c., for the Amir of Afghanistan, were transferred to this head from "Miscellaneous Payments to be brought to charge or recovered in India."

24 The Account includes 38,500 *l.* for Bills drawn by the British Envoy to the Court of Persia, on account of supplies to the Afghan Boundary Commission, and 7,119 *l.* increase in Bills drawn by him on other accounts. The payments for Arms, &c., for the Amir of Afghanistan, included in the Budget Estimate under this head, were, however, transferred to the preceding item.

Henry Waterfield, Financial Secretary.

EAST INDIA (HOME ACCOUNTS).

HOME ACCOUNTS

OF THE

GOVERNMENT OF INDIA.

(Presented pursuant to the Act 21 *&* 22 *Vict. c.* 106.*)*

Ordered, by The House of Commons, *to be Printed,*
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H.—17. 6. 86.

EAST INDIA (INCOME TAX ACT).

RETURN to an Address of the Honourable The House of Commons, dated 31 May 1886; —*for*,

"EXTRACTS of the PROCEEDINGS of the COUNCIL of the GOVERNOR GENERAL of INDIA, assembled for the purpose of making LAWS and REGULATIONS, regarding the ACT, No. 2, of 1886, for imposing a TAX on INCOME derived from other Sources than AGRICULTURE."

India Office,
3 June 1886.

J. A. GODLEY,
Under Secretary of State for India.

(*Lord George Hamilton.*)

Ordered, by The House of Commons, *to be Printed*,
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EXTRACTS of the PROCEEDINGS of the COUNCIL of the GOVERNOR GENERAL of INDIA, assembled for the purpose of making LAWS and REGULATIONS regarding the ACT, No. 2, of 1886, for imposing a TAX on INCOME derived from other Sources than AGRICULTURE.

EXTRACT of the PROCEEDINGS of the COUNCIL of the GOVERNOR GENERAL of INDIA, assembled for the purpose of making LAWS and REGULATIONS under the Provisions of the Act of Parliament, 24 & 25 Vict. c. 67.

The Council met at Government House on Monday the 4th January 1886.

Present:—His Excellency the Viceroy and Governor General of India, K.P., G.C.B., G.C.M.G., G.M.S.I., G.M.I.E., P.C., presiding.

LICENSE TAX AMENDMENT BILL, 1886.

THE Honourable Sir *A. Colvin* moved for leave to introduce a Bill for imposing a tax on income derived from sources other than agriculture. He said:—

Sir A. Colvin.

"It will be desirable, in asking leave to introduce the Bill inscribed on the list of business before us, that I should explain the circumstances in which we have found it necessary to have recourse to legislation with the purpose of increasing our revenue. In coming before this Council with a Bill, the object of which is to add to our present means of direct taxation, we shall be expected, and very reasonably expected, to demonstrate its necessity. I shall endeavour to do so as clearly, but at the same time as succinctly, as I can. To enter at great length or with infinite detail into the present prospects and into the past fortunes of our finances, would be out of place here, and would, I feel sure, assist this Council very little. At the best, they would but follow me (as one tracks a mole working underground) by the heaps it leaves behind, by a series of recurring groups of confusing financial figures. But as the object of what I have to say is to enable those who are here to seize clearly and firmly the problem which the Government have to solve, I shall, I believe, assist them best in doing so by avoiding as much as possible mazes of figures and intricacies of calculation, and keeping to the broad beaten high road, open and accessible to all, and easily traversed from end to end by those who will give themselves the trouble to accomplish it. I shall briefly examine the past and the actual financial situation; I shall show this Council what is the figure at which we estimate the deficit of next year; I shall examine the several methods which present themselves of meeting this deficit; I shall then state the reasons which have lead us to adopt such an amendment of the License Tax as shall place direct taxation on a more equitable basis, and I shall close with such remarks as may show that the measure we propose to introduce is one which opponents in former days of an Income Tax have expressed themselves as willing to accept. It is impossible to give a clear view of the present situation without glancing back, however briefly, at the circumstances of the last three preceding years, so as to show what has been the

equilibrium of revenue and expenditure from 1882 onwards, what are the resources which they have left us on which we can count to meet increased demands for expenditure, and what is the nature and extent of the recent charges imposed upon us, which are so serious as to leave us no doubt of the inadequacy of our revenue, as at present estimated, to provide for them. I take 1882 as the point of departure, because that was the year in which the Government of India introduced changes in our revenue of a nature so radical and decisive as to constitute an epoch from which a new departure must be dated. In the Budget Statement for the present year I said, it may be remembered, that 'the measures adopted in 1882 had been fully justified by the experience acquired since their introduction, but,' I added, 'it was doubtful whether the status which they established would prove sufficient in view of the further trials which seemed to be awaiting us, and of the necessities of our situation, whether connected with the state of our currency or with the measures necessary for the development and protection of the country.' What, then, has been the course of events since the Budget of 1882-83 was introduced? And what were my grounds for saying that the calculations of that Budget had been justified by experience, but that it seemed likely that the resources which they furnished us would have shortly to be supplemented? In that year, 1882-83, the rate of duty on salt was reduced to 2 rupees a maund everywhere, excepting in the Trans-Indus Districts of the Punjab and Burma (where a specially low rate of duty had previously prevailed), at a cost of 1,400,000 *l.* Cotton duties and the general import duties were entirely abolished at a gross cost of 1,219,000 *l.* The Patwari Cess in the North-Western Provinces was remitted, and the Government undertook the payment of patwaris in Oudh, the change involving a virtual remission of taxation to the extent of 316,000 *l.* These changes, with certain administrative reforms, amounted to about three millions. The surplus estimated in the Budget, notwithstanding these very large reductions, amounted to 285,000 *l.*; the actual surplus, however, was 706,633 *l.*, in spite of the provision necessary for the war in Egypt, which amounted to over half a million; of the reduction, in the rate of export duty on Malwa opium, of 50 rupees per chest; and of the serious fall in the exchange which reached 306,433 *l.* in excess of the Budget Estimate. This, then, was the result of the first year—remission of revenue to the amount of three millions, war, reduction of duty on Malwa opium and increased loss on exchange; yet a surplus of 700,000 *l.*

"In the following year 1883-84 exchange was taken at 1 *s.* 7½ *d.* instead of 1 *s.* 8 *d.*, and the total charge on account of exchange in that year was 773,000 *l.* higher than in the Budget Estimates of 1882-83. Owing to short crops in previous years, the amount of opium put upon the market was also reduced in 1883-84; and from these two causes a million less was taken on that account in the estimates, while in the course of the year 1,000,000 *l.*, not provided for in the estimates, was paid to Her Majesty's Government on account of arrears of non-effective charges of the British Army. The surplus budgetted for in that year was 457,000 *l.*; the actual surplus was no less than 1,387,496 *l.* In the ensuing year, namely, in 1884-85, the surplus estimated for was 319,300 *l.*; short sales of opium, very heavy expenditure connected with an extraordinary opium crop, falling off in customs, and in railway income, with the other unfavourable causes explained in the Financial Statement of the present year, again lowered our revenue; yet although in that Financial Statement, in the revised estimates for 1884-85, a deficit of 716,200 *l.* was calculated upon, there is every reason to anticipate that the accounts now shortly to be closed will show an equilibrium.

"It will be seen from this brief review that during the last three years the surplus of revenue over expenditure, notwithstanding the great reductions carried out in 1882, has averaged, so far as we at present know, in the three years, not less than 700,000 *l.* The revenues, reduced in 1882 by an annual sum of three millions, have still amply sufficed to meet the difficulties arising from a variety of causes, such as short opium crops, temporary falling-off in railway receipts, war charges, and a heavy claim for payment of arrears of non-effective military charges. The expansion of the revenue, and especially of the railway revenue, will be familiar to all who have watched the course of Indian finance; and it will, probably, be admitted that the figures which I have quoted give striking evidence of the sagacity of the calculations which estimated that three millions could, in 1882, be taken off our revenue estimates without causing

causing anxiety, The present year, again, the estimates of which were framed on the basis of depression in regard to railways, customs, and opium, still (apart, of course, from the extraordinary charges put upon us in connection with the preparations for war) shows on its estimates a small surplus of 508,100 *l.* It is not necessary at present to dwell on the Estimates of 1885-86 further than to say that the experience gained in previous years will, I have little doubt, prove, when the Budget Statement of the ensuing year is published, to have been fully continued in 1885-86, and that, apart from the extraordinary war expenditure, our resources will, in the current year, have sufficed to meet our burdens. But, with the present year, our brief spell of happiness has come to an end; the fat kine have passed on; the lean kine are come in. Three uninterrupted years of prosperity is a godsend in the annals of any nation; in our Indian annals it is extraordinarily rare good fortune. I know that there are many who think that the capricious and uncertain elements in Indian finance should have been allowed more weight in the counsels of those who carried out the reforms of 1882. I do not share those views. If any man has a right to complain it is I; for on my shoulders is placed the burden of finding fresh resources to replace those which in 1882 were dispensed with. But I do not share the views of those who cry shame on the Government which lightened by three millions the public burden in 1882, and gave to the taxpayers respite to the present moment. This is neither the place nor the time to enter into a discussion of the policy of 1882; but this much I may affirm, that, whatever may be said about the abolition of the import duties in that year, the exemption from duty in March 1878 by the Government of Lord Lytton of certain descriptions of grey cotton goods made the abolition of the import duties on all cotton goods a question only of time, and of very brief time. If Apollos was constrained to water it was because Paul had sowed. The corner-stone was taken out of the edifice in 1878, and the whole fabric of import dues was bound shortly to be removed, under pain of becoming a nuisance and a danger. The decrease, again, in the salt duties has been rewarded by the increase in the subsequent consumption of salt by 13 per cent. in the three subsequent years ending with the 1st of January of the present year, consumption which is steadily increasing. To come back, however, to the thread of my remarks, and from the unprofitable pursuit of what might have been to the practical examination of what is. The good time is over; the day of difficulties is again with us; we are labouring once more, not under a plethora, but a want of money. We shall probably be called upon next year to meet an increased charge of nearly a crore of rupees, owing to the fall of a penny in the exchange; that is, instead of taking our exchange next year at 1 *s.* 7 *d.*, it is prudent at present in making our estimates to assume that we shall have to take it at 1 *s.* 6 *d.* The so-called loss by exchange imposes on us sacrifices which it is beyond the power of this Government, or of any Government, acting singly, to avert; no foresight, no economy, can save us from the depression which silver, largely demonetised, and become, so far as it is demonetised, a mere commodity, has, in common with all other commodities, undergone relatively to gold; and from the effects of which we, as a Government, with a silver standard whose dealings are mainly with England, a country of a gold standard, are especially called upon to suffer. At the same time, we shall have to provide for an increase in our Military Estimates, whether for pay of troops, or interest on capital to be expended on Defence Works, which eventually will amount to no less than two millions. For this, of course, we are responsible, and if I do not pause here to justify it, it is because others whose special province it is will doubtless undertake that duty. The whole of this latter charge, however, will not fall during the first year; but, taking the increased charge on account of exchange and military establishments next year, inclusive of interest on the capital for frontier railways defence works, it may be calculated at about 2,000,000 *l.* Speaking broadly, in round figures, we may assume that of this sum all but 700,000 *l.* will be forthcoming on our ordinary estimates. In other words, nearly two-thirds of the increase to our expenditure estimates of 2,000,000 *l.* next year, caused by the fall in exchange, and the increased military expenditure will, according to our expectations, be met from our existing resources.

"To the extent, then, of 1,300,000 *l.* we count upon the funds provided for us, as resulting from the arrangements made in 1882, and that we can so count is proof of the foresight with which those arrangements were

made. We could have provided, in other words, for the fall of a penny in exchange, or we could have added to our estimates the sum necessary to meet the additional proposed military expenditure, and the interest on frontier railway and defence works for the ensuing year; but the two charges combined have been too much for us, and have compelled us to seek about for ways and means whereby to meet our accumulated difficulties. I shall be asked how, if the Budget of 1885-86 shows a surplus of 500,000 *l.* only, we expect in the coming year to provide 1,300,000 *l.* from existing sources. I shall be told that it is customary to show in our Estimates, after all expenditure has been met and accounted for, a normal surplus of about half a million; so that, deducting the above surplus of 500,000 *l.*, which must be kept in hand, and assuming that 700,000 *l.* are to be raised by taxation, there remain apparently 1,300,000 *l.* unprovided for. The chasm, certainly, appears considerable; but a chasm, like a conscience, is all the better for close inspection. Let us examine it. The explanation, briefly stated, is that the estimates of 1885-86 were in more than one respect abnormally low. The provision of 1882 had not been worked up to. The depression in our railway receipts, which set in in 1884-85, still threatened us, and we based our estimates on the cautious view that that depression would continue in 1885-86. Hence our estimates for the current year were estimates below the standard of our normal expectations. But the depression I speak of has partly worn off; other sources of revenue have recovered. We were, in 1885-86, when the estimates were framed, suffering from stagnation of exports and customs and from short opium revenue, owing to the necessity of increasing our opium reserves which had been depleted by a course of bad years, this necessity again compelling us to put upon the market a smaller amount of opium than would otherwise have been the case. The estimates, both for railway and opium receipts, were therefore taken at an exceptional figure; but, since then, I am glad to say, the export trade, and with it our railway receipts, have considerably revived, and the customs are showing better results. It is more than probable that the revised estimates for the present year will show a net increase of half a million over the estimates under the head of railways, an improvement which we may look to maintain in the coming year; and as two bumper opium crops have followed one another this year and last year, we may expect considerable improvement, say 200,000 *l.*, in the opium revenue next year. In consequence of the new method of calculating the military non-effective charges, we shall have in 1886-87 a saving, as compared with 1885-86, in round numbers, of 363,250 *l.* under that head. The normal annual increase to our revenue may be taken, as experience has shown us, at 150,000 *l.* In the Budget of 1885-86 a sum of 585,000 *l.* was allotted from revenue to the construction of frontier railways and defence works, which, in view of the exigencies and pressure of our position, will be charged in the ensuing years to capital. I admit that, speaking for myself, nothing but absolute necessity would induce me to assent to the construction of works of this nature from capital. But if ever there was a case of absolute necessity, it is the present; and if the choice is to be between increased taxation to the amount of 580,000 *l.*, or the construction of these works from capital, it may be reasonably contended that the latter is preferable. As Sir John Strachey said in his Financial Statement for 1880-81, speaking of frontier railways, 'If we could not have paid for them out of our ordinary revenue, it would have been quite right to borrow for their construction. I should have said this because the works are absolutely necessary, and because the political and financial evils of borrowing would be less serious than those involved in fresh taxation.' In the Financial Statement for this year it was pointed out that it has always been hitherto the policy of the Government of India to meet demands of this nature, so far as they can be met, from its revenue; revenue failing, the Government of India is prepared to have recourse to borrowing. Revenue failing, and further taxation being undesirable, the Government is prepared to do so now. Taking the total, then, of the items which I have enumerated, we obtain, in round numbers, the figure of 1,800,000 *l.* out of a total estimated additional expenditure of two millions, leaving us a balance of 700,000 *l.* to obtain the normal surplus which we consider necessary to exhibit in our accounts. It will, of course, be borne in mind that, in giving to the Council the above calculations, I do so under the reserve of further experience. Little less than a quarter of the

the year has still to pass; if, on the one hand, I have been moderate in my estimate of increased revenue, I have taken no account, for I know nothing, of what increased expenditure may be in store for us in respect, for example, of Burmah. The figures I have given are an approximation; as close an approximation as I can at present form; if they show nothing else they show, at any rate, I think, this much, that we may require more than 700,000 *l.* to obtain the necessary working surplus, but that we certainly shall not want less; and that, for the present, is all which I am in any way concerned to demonstrate.

"Now, there were several ways open to us to obtain the funds which we required. The first and most obvious method is economy, and no one can be more conscious than the Government of India how needful and how urgent it is, in view of the difficulties, present and prospective, which surround us, to carry out, whether in the actual present or a more distant future, all economies which are practicable. It is a matter to which we are devoting anxious attention, and in regard to which your Excellency will, I believe, explain the measures which we have in contemplation. But there are considerations in the way of enforcing, except in the last resort, any considerable economy in the estimates of civil expenditure for the immediately ensuing year which cannot be lightly set aside. I do not, in saying this, wish to be understood as in the slightest degree endorsing the view as to the folly of making reductions which has been lately urged on this Government from more than one quarter; for I cannot, for the life of me, bring myself to see that the best way out of pecuniary obligations which you are not likely to be able to meet is by adding to them. I wish with all my heart it were, for it would simplify my task exceedingly. Thus, we have been told that if economy is a good dog, borrowing is a better. A passed master in the art of meeting pecuniary obligations, whose authority, as we know, is unimpeachable, was obliged at last to confess that he could get 'no remedy against this consumption of the purse; borrowing only lingers and lingers it out, but the disease is incurable.' In public as in private life, in short, the approach of money difficulties is the signal for retrenchment; and if we do not at the present moment look to economies to fill the void which threatens us in the coming year, it is not because we agree with those who think economies a pestilent source of extravagance, or because we do not ardently desire them, but because they are not in any decisive degree immediately attainable. The arrangements by which the Government of India has assigned to Provincial Governments the disposal of a large part of the public revenues has had for its aim, and has achieved, the practice of economy and good administration. But, save in circumstances of an exceptional nature, the Local Governments have been assured that, during the term of what are known as the provincial contracts, the arrangements with them, by which, during a fixed term, they are secured certain revenues, shall not be disturbed. Hence, if those contracts are not to be disturbed, the Government of India can economise only on the margin left for its own administration, and which is largely composed of military, postal, telegraphic, or other similar charges which are not susceptible of instant reduction. Of course it is the Government of India which in the last resort must decide what are circumstances of an exceptional nature. It decided, for example, that the circumstances of the present year were of such a nature, and the Provincial Governments very loyally responded to its call. When it came however to determine what course it should adopt in regard to the situation created by the circumstances which I have explained to the Council, it was met by the consideration that the provincial arrangements now in force expire at the close of the Financial year 1886-87, at the close, that is, of the ensuing financial year; and that it would then, in any case, be in a position to re-adjust the partition of the revenues. No re-adjustment which was likely to prove practicable would be of itself sufficient to remove all necessity for resorting to other means of increasing our revenue. There was but one year to be tided over; and in that year the maximum expenditure on account of military establishments and frontier works would not be reached. On the other hand, to put an end without proved necessity in the fourth year of their quinquennial term to those contracts, would have led to great doubts and misgivings in future, doubts and misgivings which were inconsistent with the economical aims and objects which are the strength and the justification of the system introduced by Lord Mayo. We were the judges in our own case; and it was the more necessary therefore to be sure that, in satisfying our own

necessities, we were not falling short of engagements into which we and our predecessors had deliberately entered, and to which we were pledged. We were not, and we are not yet, in a position, absolutely to say, at this period of the financial year, that it is unnecessary to call the Provincial Governments to our assistance. All that we can be sure of is that such a measure does not at present seem to be imminent; that if it were necessary it would not release us from the task of further strengthening our revenues; that in itself it is likely to prove hurtful to good administration; and that what is needed is as much an increase of existing revenues, as a repartition of those which already are available, a repartition which, while it failed to fill the measure of Imperial needs, would be sure, if suddenly insisted on, to prove inconvenient to provincial administration. But at the same time we cannot close our eyes to the certainty that on the revision of the contracts in 1886-87 we shall be called upon to examine closely the details of our financial relations with the Local Governments with a view to such a re-adjustment as shall equitably distribute over the general revenues the recent additions which have been made to the general burden. We have warned them of this, and we have asked them not to embark in any fresh expenditure of a nature or extent to prejudice the settlement of our fresh relations with them, which must be effected in 1887.

"Then, again, there was the question of indirect taxation. For example, we might have replaced, in part or in whole, the reduction of the duty on salt which was made by the preceding Government; but to have done this would, in the first place, have been to increase the burdens of the poorest classes of the community; it would have checked the consumption of salt, which has risen from 2,44,98,000 maunds in the period from 1st March 1881 to 31st January 1882, to 2,77,92,000 maunds from 1st March 1884 to 31st January 1885, and would have been contrary to the pledge which was given by Sir Evelyn Baring at the time when he reduced the duty: he then said—

'We hope that we shall be able to maintain the duty at 2 rupees a maund, and we have at present no reason to suppose that we shall be unable to do so. By a return to a higher rate, we should, of course, to some extent at all events, sacrifice the main object we have in view, viz., to afford some relief from taxation to the poorest classes. At the same time, I should observe that if any unforeseen circumstances, such as a heavy fall in the value of silver, takes place, and if, at the same time, the reduction in the salt duty does not result in any considerable increase in the consumption of salt, it would be open to us to return temporarily to a higher rate. This is an expedient to which the Government would have recourse with great reluctance.'

"It will be observed that he anticipated replacing the duty in the event of a fall in silver, such, for example, as has taken place, and still more, therefore (it may be argued), in the event of our being subjected to large unforeseen expenditure, such as recent events on the frontier have rendered, in the judgment of the Government, necessary for the protection of the country; but he added also a second condition, namely, that the reduction of the salt duty should not have resulted in any considerable increase in the consumption of salt. The figures I have given show that there has been a very considerable increase in the consumption of salt, giving evidence (all allowance made for the effect of increase in railway communications, and of improved administration) of the insufficient supply that was previously within the means of the people, and enabling us to judge of the effects which would follow, if not immediately, at any rate before very long, an enhancement of the existing duty. It is very possible that a time might come when (whether owing to increased facilities of distribution, or from other causes) enhancement of the salt duty to the rate which formerly existed, or to something falling short of it, might be advisable; but it is a measure which few, I imagine, would wish to see introduced so long as other legitimate resources were open to us. I may glance, in this connection, at what has been recently urged in more than one quarter with regard to the re-imposition of the import duties. We are assured that the measure would be extremely popular, that nobody would feel it, and that it would bring in a very large revenue. Popular, in one sense, it would certainly be, with that limited class on whom its burden did not fall, being precisely the class to whom I have above alluded, who contribute so little. But, all other considerations, such as those connected with the expansion of our export trade and therewith of our railways, apart, it must be remembered that the burden of the import duties, like the burden of the salt duties, falls upon the masses of the people,

people, who are the chief consumers, and it is idle to suppose that the re-imposition of the duties would not be felt by men whose income at the best is barely sufficient to afford them the sustenance necessary to support life, living as they do upon the barest necessities of life. It is always popular to pass obligations on to other people; but it is a kind of popularity which no Government anxious for the equitable adjustment of the burdens to be imposed upon taxpayers can possibly wish to acquire. Nor would it be possible to escape the difficulty of the local industries. How are we to re-impose the import duties without putting an excise upon local mills which are now so numerous and considerable? How otherwise could the import duties be regarded as other than protective duties? The question is not one which need be seriously discussed at present, not only on account of the economical and other objections to it, but because the time has not come when we need call upon the masses of the people to contribute further to the Imperial Treasury. But it cannot, in a statement of this kind, altogether be passed over in silence, because it is constantly being brought forward as a simple and easy escape from our difficulties by the class who are at present exempt from their due share of the public burden, and who seem, if without offence I may say so, more willing to impose that burden upon others than to lift so much as a corner of it with their own fingers. The philosophy which enables us with amazing equanimity to bear the misfortunes of our neighbours appears in a less unobjectionable form when it suggests the transfer to our neighbours of our own share of misfortunes. In fiscal, as in other mundane matters, man must bear his own burdens; an ordinance of which the propriety and, I may say, the decency, seems to me unassailable. Another course open to us was to review the scheme by which a million and a half are annually put aside for Famine Insurance, and to consider whether we might not utilise that sum, in whole or in part, for the purpose of meeting the fresh expenditure which was brought upon us. And here again, I think, it would be well that I should take this opportunity, although at the expense of time, of reminding this Council what the nature of the Famine Insurance scheme really is, and pointing out the misapprehensions which seem very generally to prevail upon this point. There seems to be a kind of idea that it is a separate fund deriving from, but quite irrespective of, our general revenues, and that this particular fund is always to be appropriated to a particular purpose, that particular purpose being the reduction of debt. If experience did not show that the very lucid explanations on this head given by one of my predecessors on the point have fallen on absolutely deaf ears, it would be scarcely necessary for me to point out that there can be no such thing as a distinct fund, forming part of our general revenues, and yet independent of our general revenues; and that systematically to assign certain items in your revenues to a separate fund, to earmark and assign that fund to the reduction of debt, to maintain it for that purpose, and thereby to encounter, peradventure, a succession of deficits or the necessity of taxation to the amount so assigned, is an absurdity. What was said in 1861 by Mr. Laing in regard to the clauses in the Income Tax of 1860, by which it was required that 1 per cent. of the proceeds of that tax should be kept specially for Public Works applies, *mutatis mutandis*, to the present instance. 'To give,' he said, 'a statutory claim to money which we have not got, and can only make a pretence of giving with one hand, and taking it back with the other, ought not to be continued. Sham is rarely harmless; it is for the most part positively mischievous.' But the matter cannot be put in clearer language than that employed by Sir John Strachey in this Council on 27th December 1877, and again on 9th February 1878, and finally on 14th November 1879; and in justice, no less to ourselves than to Sir John Strachey, I shall take the liberty of quoting those statements in full, though at the risk of some impatience on the part of some of those who are listening to me and who are already familiar with these declarations.

"This is what Sir John Strachey said in 1877:—

'The objects of the Government, it will have been gathered, are twofold; first, to obtain that addition to the public income which experience shows to be required to meet the charges that arise, directly or indirectly, in a series of years, by reason of scarcity and famine; and, second, to secure a proper margin of ordinary surplus to meet those unforeseen irregularities in the revenue and expenditure, which necessarily lead to differences between the estimates of the year and the actual accounts.

'As to the first of these objects, I desire to say that the recognition by the Government of this new obligation implies no suggestion of diminished public wealth or a decay-

ing revenue. Rather, the very contrary is true, and it is the stronger perception of the generally advancing condition of the community, and of its requirements and capacities, that has induced this movement. It is the firm intention of the present Government to apply the funds now to be provided for this special purpose strictly to the exclusive objects which they were designed to secure. In such matters, no doubt, Governments cannot fetter their successors, and nothing that we could now say or do would prevent the application of this fund to other purposes. Without thinking of a future far removed from us, events might of course happen which would render it impracticable even for us, who have designed these measures, to maintain our present resolutions.

'So, far, however, as we can now speak for the future, the Government of India intends to keep this million and a half as an insurance against famine alone. In saying this I should explain that we do not contemplate the constitution of any separate statutory fund, as such a course would be attended with many useless and inconvenient complications, without giving any real security. Unless, then, it should be proved hereafter by experience that the annual appropriation of a smaller sum from our revenues will give to the country the protection which it requires, we consider that the estimates of every year ought to make provision for religiously applying the sum I have mentioned to this sole purpose, and I hope that no desire to carry out any administrative improvement, however urgent, or any fiscal reform, however wise, will tempt the Government to neglect this sacred trust.'

"That was Sir John Strachey's first statement on the subject; clear enough, one would have supposed; but if there were doubt on the subject what he said in 1878 should have effectually dispelled it. He said:—

'It was suggested at a previous meeting of the Council, and the proposal has been urged in a memorial received from the British Indian Association, that a separate fund should be created from the produce of the new taxes for the objects now in view by the Government. I think it desirable to make a few observations on this subject. It may first be said that the money obtained by the new taxes will, in fact, be applied, either to discharge of debt, the special origin of which cannot be ascertained, or to the construction of useful remunerative works of precisely the same description as those on which a far larger sum has hitherto been spent year by year, partly obtained from the general revenues, and partly from borrowed funds. It is not the intention of the Government to reduce this outlay; on the contrary, it hopes to be able to increase it. To create any separate fund, therefore, would be to make a perfectly arbitrary and artificial distinction between a small part of the outlay, say one and a-half millions, and the larger part, say three millions, on works in themselves not really distinguishable in their character or objects. Such a division would be not only useless but mischievous, and could not practically be maintained. It would necessarily lead to artifices in adjusting the grants and accounts, which would create suspicion and cause much trouble to all concerned.

'In fact, what the Government desires is to establish a sense of the obligation under which it is placed in respect to the expenditure due to famine, which shall be felt in the same way as the obligation to provide proper courts of justice, police, education, and so forth. For none of these objects has it ever entered into the mind of anyone to suggest a special allocation of the revenue, or a separate fund. Nor can any greater reason be found for a separate Famine Fund than for separate funds for any of those other objects which are obligatory on the Government.

'The intention of the Government is to obtain the means of meeting the charges that arise in all parts of India on account of the relief of famine, whenever such calamities occur. This could not be done if the additional income obtained were specially allocated for expenditure in the Provinces where it is raised, and there never was any such intention. 'At the same time, it is held to be desirable to employ the Provincial Governments in obtaining the funds, and in supervising their application so far as it takes the form of an investment in useful works of a remunerative character. It is with this exclusive object that it has been proposed to make the new taxes provincial, so that the best possible agency shall be secured for their collection and for administering their outlay in detail.

'I will not attempt to state in detail the reasons why the persons responsible for the administration of the finances reject separate funds of all kinds, unless under very special circumstances, as productive of confusion and complication without any counterbalancing advantage. It will be enough, probably, after what I have already said on this point, to reconcile the Council and the public to the decision of the Government, not, in the present case, to create any separate fund, if I point out that any other determination might lead to results probably not contemplated by those who have suggested the establishment of a separate fund; I mean that this might involve the necessity for imposing more taxation. Suppose, for instance, that the produce of the new taxes were by law strictly set apart from the general revenues and paid into a separate fund only to be applied to specified purposes. If, then, any sudden change of circumstances arose, calling for seriously increased expenditure, or causing a considerable falling off in the revenue, we should have to choose between the imposition of fresh taxes and the abrogation of the law constituting the fund; for I set aside the idea of meeting ordinary charges by borrowing as a course financially inadmissible. This dilemma might arise, though the pressure was likely to be only temporary; nor can anyone say that such a contingency would be at all improbable, or that it might not occur at any moment.'

"However,

" However, in spite of all this, the fund legend continued in circulation, and in the following year Sir John again exposed it:—

'I had supposed, my Lord, that if there was one thing which had been made clearer than another in regard to the measures in question, it was this,—that, although it war sometimes convenient to talk of a Famine Insurance Fund (I believe, however, that I myself on no single occasion used the expression), the Government altogether repudiated the idea that it was desirable to constitute any separate fund from the produce of the new taxes for the purpose of meeting expenditure on Famine. I said, in the plainest language that I could find, in the debate in this Council on the 9th February 1878, that the creation of any separate fund would not only be useless but mischievous,—that it would disturb the adjustment of grants and accounts, and cause suspicion and trouble to all concerned.'

" Ineffectual, still, this third statement; error, more especially wilful error, dies hard; and here am I in 1886 again searing the head of this hydra, ineffectually, no doubt, in my turn too. The fact of the matter is that the sums devoted to the Famine Insurance scheme, so long as they are not applied to normal, ordinary expenditure, operate directly or indirectly to the reduction of debt: if there is no loan, they may operate directly to the reduction of debt: if money is borrowed, the amount borrowed is less by the sum which the Famine Insurance grant enables us to place to the credit of the cash balances. The original intention expressed, I may here mention, long before the debates of 1877 and 1878, by Lord Northbrook in the Resolution of 23rd April 1874, with which the Financial Statement for 1874–75 was published, was as follows:—

' * * * * * It would not be safe to depend upon loans for the purpose of meeting future charges on account of famines. Although means have been taken, and will be taken, to obviate or mitigate those calamities, some such charges must, for a time at least, be looked upon as contingencies to be expected to recur with more or less regularity.

'It is necessary, therefore, that besides a fair surplus of income over ordinary expenditure, such a margin should be provided, in addition, in ordinary times, as shall constitute a reasonable provision for meeting occasional expenditure upon famines. If the surplus be employed in the reduction of debt, in the construction of reproductive public works, or remain in the cash balances, the expense caused by future droughts may fairly be met by appropriations from the cash balances, or by loan, to the full extent of the accumulations of surplus.

'This condition of things has existed in India during the last four years; and the Government of India are resolved to use their best endeavours to maintain, for the future, a considerable surplus of income over ordinary expenditure, and thus to make provision, beforehand, for any calls which are likely to arise on account of famines.'

" The orginal object was to secure a surplus of 1,500,000 *l.*, and to devote it to the reduction of debt, or to productive public works; but subsequently when it was decided, after the Report of the Famine Commission, to carry out a considerable scheme of railways, it was determined to devote a part of the Famine Insurance grant to the construction of what are known as protective railways (protective, that is, against famine), and to works of irrigation, and the rest to reducing the sum which would have to be borrowed for the construction of productive works, whether railways or irrigation. At a later stage again the system now in force was adopted, by which the grant is devoted in part to the direct prosecution of railway and irrigation works, and in part to lessening our annual borrowings for such works; the former distinction between protective and productive having been discontinued. The combined effect of the application of the grant is to lessen our obligations by the amount directly expended in the construction of railways and irrigation, whether from revenue or from capital, and, in that sense, to reduce the debt. So long, however, as we continue to devote the item of one million and a half in whatever manner to the reduction or prevention of debt, so long as we do not devote it to ordinary expenditure, so long will the Famine Insurance scheme continue to be operative. It may be employed in the reduction, or, which is the same thing, in the prevention of debt, or in the construction of works, or by swelling our cash balances. But as so much has been said lately 'by the herd of such who think too little and who talk too much' as so much, I repeat, has been said about breach of faith, and I know not what, in respect of the Government and the Famine Insurance scheme, I wish to say here, in plain unequivocal language, that in my opinion it is quite open to question whether, in the event of a continuation or aggravation of serious financial difficulties, it would be expedient to continue

the operation of a scheme which was conceived and brought into operation in order to assist, not to burden, the financial administration of the country. For example, if it were necessary to resort to excessive or to very obnoxious taxation in order to meet expenditure which could be met by the suspension, temporarily or otherwise, of the present Famine Insurance scheme, it would certainly be the duty of the Government to consider whether this could not be done. If it comes to a choice between the general financial position and the particular position of a particular item in the Budget, the priority must unquestionably be given to the general position. In other words, we must sacrifice the scheme to our general needs, and not our general needs to the scheme. I think it necessary to make these remarks here, because it is very evident that the nature of the Famine Insurance project is very generally misunderstood, and, so far as I am concerned, I wish my views, and the grounds on which they rest, to be quite unmistakeable. The Government has very recently been charged, as it was charged in 1879, with breach of faith in having assigned to purposes of general administration what has been described as a fund set apart for a special object. The Government has done nothing of the kind, and has not in any way exposed itself to any such criticism. What has been the financial effect of the Famine Insurance scheme I may briefly illustrate by saying that through its operation the ordinary debt has been reduced since 1st April 1878 by 11,349,780 *l.*; or by rather more than the figure of 1,500,000 *l.* per annum, which, it will be remembered, was the figure originally contemplated. *Gutta cavat lapidem, non vi sed sæpe cadendo;* and there seems, in some quarters, to be an idea that if you only drop false statements fast enough you will succeed at length in wearing away the polished surface of truth. When the accounts of the year are published it will be found that the Government has devoted the Famine Insurance grant to the purposes to which it usually is devoted. But in exposing the unreasonableness of the accusation which charges us with misappropriation of what has never existed, I have forgotten to explain why, in our present circumstances, we feel ourselves unable to turn for relief to the 1,500,000 *l.* which furnish the annual famine grant. The necessity for continuing to appropriate it as at present, and the grounds on which we do not desire to appropriate this grant to ordinary expenditure is that we are embarked on a series of railway works, intended to protect the people from the effects of famine, which we are carrying out partly by the aid of this famine grant, works which would otherwise have to be dangerously deferred or completed with borrowed capital. When those works are completed it will be for the Government of the day to decide whether the amount annually devoted to the famine grant cannot at least be lessened. These are the grounds on which we consider that the famine grant should not be interfered with. We recognise no separate fund, but we do recognise and confirm the necessity of carrying to completion the railway and irrigation works necessary for the protection of the millions of this country from famine. But, nevertheless, I wish to repeat that if the sad necessity arose, from causes which I above glanced at, of appropriating the million and a half or a part of it, which at present is assigned to what is called the Famine Insurance grant, to other purposes connected with our ordinary expenditure, it is, in my judgment, perfectly open to the Government to do so; and it might, in my opinion, become extremely foolish to prefer vexatious taxation or excessive crippling of our ordinary needs in order to continue the working of a scheme which is excellent so long as it can be worked with convenience to the general financial administration, but which would become quite unendurable if, in order to maintain its existence, we were called upon to make exasperating sacrifices or impose extravagant burdens which were necessary for no other object than to keep this monster of our own creation fed with the funds necessary for its sustenance.

"I come, then, by a process of elimination to the third and last resource which is open to us, namely, to direct taxation, and I do so with a perfect knowledge of the delicate ground on which I am supposed to be treading. The financial history of the last 25 years is strewn with the skeletons of discussions on direct taxation, and more than one of my predecessors is gibbetted on that dismal Golgotha for the part which he took in connection with it. It has been my duty, in the course of my studies on the subject of direct taxation, to read again lately the various debates upon that much-vexed subject in which, at different

different times, my predecessors took part during the 20 years between 1860 and 1880. I have, in truth, but just emerged from them, like Œneas from visiting his ancestors in the Shades, and I am still overwhelmed and overcome with the sulphurous atmosphere in which I have lately been groping my way; atmosphere, 'From whose flames no light, but rather, darkness visible—Regions of sorrow, doleful bodes where Peace and Rest can never dwell.' So that I am not likely to underrate the oppressive climate of the region into which I am doomed to re-enter, and into which I must invite the Council to follow me. The aphorism of Burke, quoted by one of the most distinguished of those who have held my present office on an occasion similar to the present, that 'it is as difficult to tax and to please as it is to love and be wise,' is one the truth of which has been illustrated in the person of almost every one of my predecessors, and will, I have little doubt, be once more illustrated in mine. But in spite of what has gone before, and in spite of what remains to be said (and I fear that we shall find during the next few months that a good deal remains to be said), there can, after all is said and done, be no manner of doubt but that one great fact remains established; one great blot on our administration not only still unremoved, but aggravated by the course of events in recent years. It is this, that, putting aside those who derive their income from land in the temporarily-settled districts, the classes in this country who derive the greatest security and benefit from the British Government are those who contribute the least towards it. Many opinions of many kinds have from time to time been expressed as to the nature of the advantages or disadvantages introduced into this country by British rule, but on one point all (even the most envenomed and hostile of our critics) are agreed, and that is that it has given greater security to life, property, and trade, and to the amassing, therefore, of wealth, than any Government that ever preceded it. Yet notoriously the mercantile and professional classes, to whom this time of sunshine has brought such an abundant harvest, are precisely those who contribute least towards the support of the Government in the light of whose power they bask. We are constantly assured, for example, by journalists in this country (who, in their capacity of journalists, by the way, make a considerable untaxed income in pursuit of their efforts to bring home to us this assurance), that the limits of taxable resources have been reached. Whatever may be the case with the poorer, or the lower middle class, the upper middle and the upper classes, in spite of our friends the journalists, enjoy the greatest immunity from taxation. If this was true before the abolition of the import duties, and the reduction of the salt duties, it is still more unanswerably true now. I know that what I have said as to the immunity of the middle and upper classes from their due share of the public burdens is as a twice-told tale, vexing the dull ears of a drowsy man; but it is, nevertheless, a grievous blot on our Indian administration, which urgently calls for removal, and which, I believe, with patience, prudence, and the exercise of a little fortitude, must and will be removed. Efforts have indeed, at various times, been made to remedy this scandal, for scandal it is of the greatest magnitude when the poorest are called upon to pay heavily for the support of the Government, and the wealthier classes are exempted; but from one cause or another the measure has never been carried out, except for short and broken periods of time. Then, again, there is another and a very important and very decisive element which has been introduced into the question since it was debated in this Council Chamber in the days of Lord Mayo. It is this, that when the indirect duties were swept away or lessened, it must have been obvious to all, to the most indifferent observer no less than to the intelligent student of Indian finance that, should difficulties recur, economy and direct taxation were the only alternatives possible. As a reserve, indeed, we could, consistently with the policy which removed the import duties, raise the salt duties; but a reserve necessarily from its nature should not be made use of till other possibilities have been exhausted. The action of the policy of the Governments of Lord Lytton and Lord Ripon in respect of the import duties upon our future policy in respect of taxation in India was well put by Sir A. Arbuthnot in the debate of 2 March 1880, when he said:—

'Therefore, my Lord, while speaking as an individual member of this Council, I deeply regret the policy which has deprived the Government already of a portion of their indirect revenues, and which threatens to exterminate an important branch of those revenues altogether;

altogether; while I view that policy with the gravest apprehension, I cannot but recognise the fact that, as a result of that policy, a permanent system of direct taxation may prove to be inevitable. And if it shall so prove, if events shall so turn out that the Government of this country shall deem it necessary to retain such a system as a permanent part of their fiscal system, I feel bound to say that, in my opinion, it will be incumbent upon the Government of India to place that taxation on such a basis that it will touch not only the trading community, but all the comparatively wealthy, and especially all possessors of realised property, and to discard the present License Tax, which, notwithstanding the remedy afforded by the Bill before the Council, still falls unduly on the comparatively poor, and too exclusively on one class of the community.'

"There can be no manner of doubt that, as Sir Alexander Arbuthnot said, direct taxation is the necessary and legitimate result of the measures adopted in preceding years. The financial policy of the Indian Government since 1878 has pointed steadily at direct taxation. From that year onward he that ran could read the indications of the time. In point of fact, for the last eight years we have had direct taxation; but in a form so incomplete and so open to criticism that it was impossible not to foresee that it must be, on the first convenient opportunity, replaced by some measure more equitable in itself, and more suited to the circumstances of the country. An attempt has been made, and is still in operation under the form of a License Tax, to carry out direct taxation in part, but it is open to the vital objection that it presses most heavily on the poorer among the trading, mercantile, and commercial classes, and leaves the wealthier, besides other whole classes of the upper part of the population, comparatively or absolutely unassessed. Almost from the day of its introduction efforts have been made by public bodies in this country, both English and Native, to obtain, instead of the existing License Tax, a more equal distribution of direct taxation, and acknowledgments have been tendered by the Government of the evils inseparable from that tax as at present enforced, and of its determination, when a fitting opportunity arose, of putting it on a more equitable footing. In point of fact, so far had the matter gone, and so ripe was it for settlement, that if no financial necessities had now overtaken us, we should have been imperatively called upon, in any case, very shortly either to abandon direct taxation altogether, or to take some measure of the nature which we now propose to introduce. It was impossible to go on from year to year admitting and deploring the evils of the existing tax, and doing nothing whatever to remedy them. That was how the matter stood till the commencement of this year. We had the choice of abandoning direct taxation or of extending it; and we were in such a position that we could no longer decently delay making up our mind to adopt one or the other. But we no longer have even the choice now. As circumstances stand, for the reasons which have been, I trust, sufficiently explained in the course of these remarks, it is obviously impossible to us, even were it desirable, to abolish direct taxation; for we cannot spare the half-million which it brings into the Imperial Treasury. Nor, again, and mark this, for it is an important point, if we abolished the License Tax, and with it all direct taxation, could we justify the retention of the cesses on land which were introduced simultaneously with it in 1878. What was said by Sir John Strachey in 1880 is equally applicable now: 'It would be hardly possible to maintain the cesses on the land if the tax on trades were abolished. It might be more possible to defend the abolition of the cesses on land and the maintenance of the tax on trades.' So that we should have, if we let the License Tax go, to let the cesses on land go also, which is altogether out of the question. The only alternative, therefore, that remains is to carry out our oft-repeated pledges, and to fulfil the promise which we have on numerous occasions made to various public bodies in this country, of extending the operation of direct taxation in such a manner as to remove the anomalies complained of, and justly complained of, by those at present assessed to it. In doing so, we are not only fulfilling our pledges, but giving effect to them in a way which is in strict harmony with the policy pursued by our predecessors. In the Financial Statement of the present year, I said that should we be called upon to increase our revenues we should feel ourselves bound to do so on the lines of the policy adopted in 1882–83, and in conformity with the principles by which it was inspired. We are acting consistently with those principles when we propose to afford, as far as possible, relief in taxation to the poorer classes, and before calling on them for further contributions, to exhaust all methods of increasing our revenue which are independent

pendent of their sacrifices. If we are bringing under contribution some 80,000 new persons, of whom a large part are officials, and of whom all are in comparatively easy circumstances, it is because we refuse absolutely to emancipate this small handful from taxation by adding to the burden of the 180,000,000 who earn their bread by the sweat of their brow, and on whose shoulders the burden of the too vast orb of the public fisc at present practically rests. I do not therefore come before the Council to-day as an apologist for direct taxation. I have no intention here at this present moment of entering upon any examination of the merits or demerits of direct taxation in India or of anticipating the objections to it which, at a later stage of this Bill, may very probably be urged upon this Council. I think it very possible that the venerable old weapons of attack, the arquebuss of 1860, and the muzzle-loader of a later day, will be furbished up and brought out with the last weapon of the moment and once more will be levelled at us; that the imposing structure of former discussions will be lugged from its resting-place and paraded round and round this Council Table with its sable nodding plumes, its gloomy trappings, its scenic accessories of word painting, and its motto of *sæva indignatio*. But I should like to point out at once, in order to obviate misunderstanding and profitless discussion hereafter, that objections based on the experience and former arguments employed in reference to an Income Tax, must be consideraby modified if they are to be aimed at the measure which we desire to-day to introduce. The measure which I wish for leave to introduce is in many respects a different measure from those which have been hitherto placed upon this table in the form of an Income Tax. In the first place, it is built on the foundations laid nine years ago for the License Tax, and is not an introduction but an enlargement, an extension and equalisation, of direct taxation. Next, it will be found that it leaves the present License Tax undisturbed in the case of the lowest class of incomes, except so far as it adds professions and offices to trades and dealings. It aims at maintaining an average assessment of 2 per cent. on incomes below 2,000 rupees, the rate at and above 2,000 rupees being about $2\frac{1}{2}$, or five pies in the rupee, but falls at a sensibly lower average rate on all incomes between 500 rupees and 1,250 rupees. It exempts, like the present law, all incomes below 500 rupees per annum from taxation. Of the present assessees, 122,000, so far as we can at present calculate, will have their present assessment entirely undisturbed; the assessment of about 100,000 will be more or less raised. It takes no account whatever of land assessed or liable to be assessed to revenue, whether in the permanently or temporarily settled Provinces. The combined schemes will not affect more than about 300,000 persons only, officials included, out of the whole population of British India. The measure, in a word, aims at meeting the objections of those who, while more or less opposed to an Income Tax as generally understood, have, at different times in speeches before this Council, or elsewhere, and in other ways, intimated that they concur in the conclusion that the more well-to-do classes should be taxed; and that if they could not be reached otherwise they would be prepared to agree to direct taxation, on lines such as those we are now following. At a later stage of the proceedings connected with this Bill I shall be prepared, if necessary, to produce ample evidence in support of what I have now said, and to quote the several authorities to whom I allude. Avoidance of inquisition, especially in the case of the smaller incomes, maintenance, and continuity of existing rates and estimates, a liberal figure for exemption from assessment, a moderate rate of assessment; these are the conditions in which even avowed enemies of an Income Tax have intimated in this Council their willingness to see direct taxation incorporated, as we desire to incorporate it, as a part of our fiscal system. All this we have set ourselves to meet, as will be evident on examination of this Bill. We estimate, finally, that it will give us about 620,000 *l.*, additional to the 500,000 *l.* which is the yield of the present License Tax, leaving a small balance on the 700,000 *l.* we require which we should have no difficulty in meeting.

"I do not conceal from myself that in some ways the present is an unfortunate time for the re-introduction in India of an assessment on salaries, and in a less extent on mercantile incomes, owing to the uncertainty and hardship connected with the present state of the silver market. I have no wish to make light of this difficulty; far, very far from it; it is a grave one; and I know only

only too well that the state of the silver exchange is severely felt in a large number of Anglo-Indian households. More or less it affects us all, increasing the difficulties of one in finding adequate funds for the education of his children, to the other diminishing the economies which he looks to to facilitate his retirement, and to support him in later life, and thereby prolonging the period of his service in India. All this I know, as I have said, only too well. But I know equally well that we are of necessity compelled to turn to the tax-payer for fresh resources, and that if we do not look for them to the comparatively wealthy, we must turn to the positively poor. The choice lies between the classes who have, or who can make for themselves a margin, and those who have no margin at all. It is on the *misera contribuens plebs* that an increase of the salt-tax, or a re-imposition of import duties such as the Madras Chamber of Commerce have lately advocated, would fall. We are all, I am aware, concerned in the measures necessary for the safety of the Empire, but I may remind this Council that it is certainly not the middle or the upper class of Native or the Anglo-Indian merchant or official who are least concerned. So that neither in this regard can I come before this Council as an apologist. In the necessities of the time; in the interest of all classes of the community; in the present incidence of our Indian taxation; in the legitimate and necessary result of the financial policy pursued by our predecessors; in the admissions of those who oppose an income tax; will be found the justification of the measure which I now have the honour to ask your Lordship to allow me to introduce. I have shown what our financial position is; I have added that, while we are not forgetful of economies, we cannot hope, in the ensuing year, for any great relief in this direction; I have stated why, in our opinion, resort to indirect taxation is undesirable; I have pointed out that direct taxation is the necessary outcome of the financial policy of the last eight years; I have drawn attention to the provisions of the Bill to prove that it is framed with a view to profiting by the great experience which in a quarter of century we have acquired; I have glanced at the objections which may be urged in view of the silver exchange, and while deploring its effect on the position and the circumstances of so many here in India, I have given my reasons for thinking that, objection for objection, there is more to be said in favour of the struggling silent masses than of the few on whom addition to their present difficulties will fall; and I now look to the candour and intelligence of my hearers to decide whether in these circumstances some revised form of direct taxation is not inevitable, and whether direct taxation in the form embodied in the Bill which I wish to lay before the Council is not unquestionably a course which is more free from objection than any which can be urged upon our attention as alternative."

The Viceroy.

His Excellency the President said:—

"As Sir Auckland Colvin has made so complete and lucid a statement of our present financial position, and the reasons which have compelled the Government of India to introduce the present Bill, it would have been scarcely necessary for me at this stage of the proceedings to trouble you with any observations of my own, did not I think it my duty to seize the earliest opportunity of taking upon myself, as the Head of this Government, the full responsibility of a measure which, however imperative, must by its very nature prove extremely unpopular. The Financial Member in taking the initiative has merely discharged the technical duties attaching to his office, and he is no more responsible for the policy upon which we have determined than any other member of the Administration, inasmuch as the causes which have created the difficulties with which we are about to grapple have in no way resulted from circumstances over which the Financial Department have had the slightest control. Before, however, I touch upon that part of the subject which concerns the future, it is but right that the Indian taxpayers, and the Indian public generally, should receive a full explanation in regard to the past, and to the causes which have occasioned the actual deficit which will confront us at the conclusion of the present financial year. That deficit, as you have been already told, will probably amount in round numbers to 2,800,000 *l*. The principal portion of this sum, which may be put roughly at a couple of millions, is due to those preparations which we were compelled to make on our side of the water, in view of a possible contest between Great Britain and Russia. The

nature

nature of the crises to which I allude was thoroughly understood from one end of India to the other. Its gravity was fully appreciated, and there probably has never been a more gratifying feature in the history of this country than the way in which all classes of Her Majesty's subjects came forward, not merely with a unanimous expression of loyalty and devotion to the throne and to the person of the Queen Empress, but, in numerous instances, with offers both of personal and material assistance. In these circumstances, it scarcely is necessary for me to show that the expenditure which we at that time incurred was necessary and inevitable. It will be sufficient for me to point out that so imminent was war considered by Mr. Gladstone and his colleagues, that the Reserves were called out, and a powerful fleet was equipped by the British Government, at an expense of six and a-half millions. I imagine that no one will care to suggest that, while these sacrifices were being made by the English taxpayers, with the view of maintaining the sanctity of the North-Western Frontier of India, India herself should have remained a listless spectator of the scene, and having done nothing for her own defence. But though we felt it incumbent upon us to prepare for what then appeared the probable contingency of war, we restricted our precautionary measures to those which the barest necessities of the case required. We contented ourselves with providing such an amount of transport and stores as would enable us to place a corps d'armée of observation on our own frontier. We did not mobilise a regiment, or move a man or spend a penny otherwise than on these initial and elementary measures, and had any Government done less, it would have deserved impeachment.

"The other items of the deficit have been occasioned by the construction of a temporary line through the Bolan Pass from Rindli to Quetta, and by our military operations in Upper Burma, the cost of the latter, of which has been estimated for the current year at 270,000 *l.* With regard to the first of these projects, the Bolan line, I need not say much. It is well known how fatal to the lives of our soldiers and how intolerably expensive has been in times past the dispatch of troops on foot along this fatal road. A considerable period must of necessity elapse before the Harnai route can be completed, and were a war to occur there is no doubt that the existence of direct and through railway communication to Quetta would save thousands of lives, as well as the original cost of the railway many times over.

"As to the Burmese war, though it is not perhaps a very fitting opportunity for explaining the policy of the Government, there are one or two observations it might be opportune for me to make in regard to it. That our proceedings in the matter have been almost unanimously approved of in England has long since been sufficiently apparent. In this country, however, a different view has been taken of the affair by a considerable proportion of the native press. That this should be the case has not at all surprised me, and I readily admit that the instinctive aversion so many of our native friends have shown to the Mandalay expedition has been most natural and reasonable. As a general principle, it is not desirable that either the limits or the political and financial responsibilities of the Indian Empire should be extended, and every Indian taxpayer is perfectly justified in apprehending that every war, no matter upon how moderate a scale it may be conducted, or how successful its issue, must add to the public burdens. Nor, indeed, can we expect that those larger and predominant considerations which dictated the line of action we have followed should be present to the minds of the great mass of the Indian people. To them Burma is a remote and foreign country. The history of our relations with the Government of King Theebaw during the past years is alike indifferent and unknown to them, and we must not be surprised if the inhabitants of Lahore, or of Trichinopoly, Benares or Multan should fail to remember that for 30 years Lower Burma has formed an integral part of the Indian Empire; that it has contributed its full share, and, as the Burmese allege, more than its full share of taxation to the Imperial Exchequer; and that anything which affects its security or welfare must of necessity prove of as deep concern to the Government of India as if it lay in the heart of Her Majesty's Indian possessions. A variety of concurrent circumstances made it only too evident that the future of Lower Burma would be seriously compromised unless we came to some satisfactory understanding with the Government of Mandalay in respect to the various outstanding complaints

for years past we had been vainly preferring to the Burmese King. An honest and sincere endeavour was made to reach an amicable settlement, but our well-meant intentions were frustrated by the folly of the Ruler, and we were forced very reluctantly to undertake the conquest of the country. Thanks to the skill, the prudence, and the humanity with which the expedition has been conducted by General Prendergast, and to the zeal and energy displayed by Her Majesty's forces of both services, English and Native, the capital of Upper Burma has been occupied, it may be said almost without bloodshed, and certainly without engendering any bitterness of feeling between ourselves and the Burmese people. That these proceedings will entail a certain amount of cost cannot be denied; but, without endorsing the complaint of the representatives of Burmese interests, who maintain that the Indian Exchequer has unduly profited for many years past by the exorbitant amount of Burmese revenue which it absorbs, it will probably be found, when the debtor and creditor account between India and Burma is finally examined, even after the expenses of the present war have been duly debited, that an ultimate balance-sheet will be shown which may by no means prove unsatisfactory to the Indian taxpayer. As to the degree to which the revenues of Upper Burma may suffice to provide for the wants of its own administration in future, nothing at present can be said. It was necessary, of course, once the conquest of the country had been effected, to determine and to declare for diplomatic purposes its international status. This has been done by the Proclamation of the 1st of January, under which the authority of the Viceroy is substituted for that of the late King. Such an arrangement, however, though required by the actual circumstances of the case, will eventually be replaced by a more fully regulated system, the nature of which will, in all probability, not be determined until I have myself visited Mandalay, and been in a position to submit a report to the Queen's Government at home.

" Having now dealt with the causes of our actual deficit, and one or two subjects cognate to them, I will ask permission to make a few further observations in regard to the Bill we propose to introduce. The object of that Bill is to impose a tax upon those classes who at this moment contribute nothing, or only contribute in a very imperceptible degree, to the Indian revenues. On the necessity for strengthening our present financial position I will not enlarge. Sir Auckland Colvin has clearly shown that the financial position of the country is gravely imperilled by a harassing uncertainty in regard to the future of silver. The fall of a penny in the price of silver at once adds, in round numbers, a million to our expenditure. In this manner, since I entered upon the duties of my office, an additional charge of a million sterling has been laid upon our shoulders; and though I trust that the depression of the metal may have reached its lowest limit, the possibility of a further fall, and the consequent presence of an element of uncertainty in all our accounts, renders it absolutely incumbent upon the Goverement to take such precautionary measures as the circumstances of the case permit. After consultation with a number of persons, both English and Native, who are entitled to speak with great authority upon such questions, we have framed the provisions of the present Bill, and from first to last the utmost care has been taken to render their application both equitable and as consonant to the habits and feelings of those affected by it as possible. I am aware that in all Eastern countries there is great objection to anything approaching to direct taxation, and I might have hesitated to give my assent to such a measure as the present if it had been an unprecedented essay in that direction; but so far from this being the case, direct taxation has for some years past formed a portion of the fiscal system of India. The License Tax is a tax essentially direct both in its principle, its incidence, and its application, and so far as I have been able to learn by inquiry, or to gather from the public prints, the opposition which this impost originally encountered has in a great measure subsided. Its assessments have been gradually brought into harmony with the real status of those who have been subjected to it. Its inquisitorial character has been eradicated, and it is now submitted to with as much cheerfulness and good humour as is compatible with the infirmity of human nature. The necessity then of some addition to our public revenues being admitted, the Government naturally considered that the extension of a tax similar in principle to the

License

License Tax to those classes of the community who are not subject to its operation was both a just and desirable expedient. The only alternative open to us was to re-enhance the salt tax ; but though this would have been an indirect tax, and consequently not so unpopular as the one we are about to impose, its operation would have chiefly affected the poorer masses of the community. Now, I am very far from wishing to say that in the presence of any overwhelming necessity, such as that of a great war or a great famine, it might not be necessary to raise the duties upon salt. It would be by such a measure alone that a great emergency of the kind could be met, and all minor considerations would have to be postponed to the imperative necessities of the hour ; nay even something short of either of these calamities might justify us in resorting to it; but when the situation merely requires a comparatively slight addition to our current revenue, it is obvious that any honourable man who had to choose between taxing the most indigent classes who already contribute a considerable share of the public burdens, and taxing those classes who, though in easier circumstances, scarcely contribute anything, it is to the latter alternative that he would resort. This, at all events, is the conclusion that the Government of India has come to in the matter. We look abroad, and we see that the peasant pays his salt tax, which, though it has been reduced, still supplies us with a yearly net revenue of 6,000,000 *l.* ; that the landowner pays his lands tax and his cesses ; that the tradesman and the merchant pays his License Tax ; but that the lawyer or doctor, the members of the other learned professions, the officers of Government, and other persons occupying an analogous status, and the gentleman at large pay little or nothing. I look around this very table, and what do I see ? that there is not one of us into whose pocket Sir Auckland Colvin is able to get so much as his little finger. For instance, take my friend Mr. Mandlik, a most eminent and distinguished member of the legal profession. He will admit, I am sure, that his qualifications to rank as a taxpayer are of the most microscopic proportions. The same may be said of my friend Mr. Peári Mohan Mukerji, except in so far as he may be a landowner ; but whatever revenues he derives from land are exempted from the operation of this Bill. I might make the same appeal to most of our other colleagues, and, what is equally sad, I am forced to make an identical confession in regard to myself and to the members of the Government. There is not one of us who pays any really serious sum from his income into the Imperial Exchequer.

" Now, surely, this cannot be right, and to such an anomaly it is no answer to say that direct taxation is repugnant to Oriental customs. Justice is the inhabitant neither of the East nor of the West. She admits no geographical limits to her supremacy, her throne is on high, and sooner or later, in spite of prejudice or custom, she never fails to vindicate her title to the respect and veneration of mankind. It is then in the name of justice that we propose the imposition of this tax, and we feel assured that every fair and right-thinking man in the country, no matter how his private interests may be affected by our action, will recognise that no other course was open to us. Indeed, already I see that no less intelligent a body than the congress of Indian delegates lately held at Bombay have forestalled our conclusions, and have passed a resolution recommending, in default of other expedients, the extension of the License Tax to those members of the community who hitherto have enjoyed an undeserved immunity from the visits of the tax-collector.

" But, though I do not anticipate that any serious objections will be raised to the principle of the Bill, it is possible that adverse criticisms may be passed upon some of its details. I need scarcely say that the most searching criticism, especially if accompanied by practical suggestions, will be very welcome and will receive from the Government most careful and impartial consideration. I do not anticipate, however, that any great changes will be necessary, because great care has been taken to divest it of all those unsatisfactory characteristics which have hitherto rendered the imposition of direct taxation so unwelcome. Warned by the experiences of those who have gone before us, we have carefully eliminated from our Bill everything that rendered former measures of the kind odious and obnoxious. In fact, our project is merely an expansion of the licensed tax. The License Tax is a one-storied house, and on the top of it we are putting a second storey, but the order of architecture in both will be the same ; and as the foundations of the one have stood the test of time and of popular

criticism, so I trust will the walls of the other possess the same solid characteristics.

"But there is now another aspect of the question to which I am bound to refer. Following in the steps of Sir Auckland Colvin, I have shown, I trust in a perfectly conclusive manner, that the instability of silver, and the loss by exchange we have sustained during the current year, have compelled us to strengthen our financial position in the manner I have described; but, besides this, other unexpected calls upon our revenue have arisen, which have also had their influence in determining us to introduce the present Bill. A few short years ago, India was an isolated region, cut off from the rest of the world, on two sides by the sea, and on the third by a range of mountains whose further slopes were inhabited by populations destitute of modern arms, unskilled in the arts of war, and from whom no serious acts of aggression were to be apprehended. But within a period of startling brevity this situation has been completely revolutionised. A great European Power has advanced its confines by sudden leaps and bounds into what, by comparison, may be called close proximity to our own frontier. It is true, several hundred miles still separate the territories of India from those of Russia, but the intervening space is ruled by a Prince in close alliance with ourselves, whose interests are cognate to our own, and the invasion of whose territories we are solemnly pledged to resent so long as he conducts his external relations in accordance with our advice and wishes. I do not propose to waste the time of the Council by entering upon any justification of the arrangements out of which the foregoing obligation has arisen. They were made by my illustrious predecessor, to whose good management and wise conduct of the affairs of the North-West we are indebted for a united Afghanistan and a friendly Afghan Ruler. But whatever their character, they have, to all intents and purposes brought, though in an indirect manner the area avowedly dominated by our political influence and ascendancy into direct contact with one of the greatest military monarchies of the day. Under these circumstances it would be the height of folly upon our part if we did not recognise the change which has taken place in the external position and relations of the Indian Empire. My own opinion is, that the counsels of Russia are controlled by a just and peace-loving Emperor, and inspired by a moderate and unaggressive Statesman; but those who have watched the recent current of events in Europe and the origin and causes of some of the most bloody wars of the last 30 years, must be aware that the hands of Monarchs, however powerful, and of Ministers, however conscientious, are violently forced and their most earnest desires countervailed by a hundred disturbing influences. The accident of a moment, a wave of popular prejudice or passion, the influence of a subordinate but powerful party in the State, a chance collision between distant pickets, each one of these, or all combined, have been and will be again sufficient to bring the nations of the earth into disastrous collision. But for the accidental circumstance of the Amir being in my camp at Rawal Pindi, and the fortunate fact of his being a Prince of great capacity, experience, and calm judgment, the incident of Penjdeh alone, in the strained condition of the relations which then existed between Russia and ourselves, might of itself have proved the occasion of a long and miserable war. But, not only so, there are other contingencies and untoward possibilities which must occur to the mind of every one, though it may not be desirable or prudent to specify them in detail, which, were they to happen, would still further accentuate the change in our circumstances which the entry of Russia into the Valley of the Hari-Rud, and her advance to the borders of Maruchak, Maimena, and Balkh, have occasioned. If then the situation is such as I have described, and I have endeavoured to shape my language in accordance with absolute fact and the suggestions of plain common sense, it is evident that we should be neglecting a grave and obvious duty did we not follow the example of all civilized communities under such circumstances, and place our frontiers in such a position of defence and impregnability as will render us comparatively indifferent to the changes and chances of the outside world, and restore to us that feeling of security and independence of others which is absolutely essential to the stability of our credit and the healthy condition of our finances. These necessities have been equally admitted by the late and the present Governments of Great Britain. During a remarkable debate which took place last year, the representatives both of the Conservative and of the

the Liberal parties united in recognising the necessity of completing with as little delay as possible such a system of defensive railways, fortifications, and other works along our North-Western Frontiers as would effectually bar our doors against all chances of annoyance from beyond them, no matter from what source they might proceed, whether occasioned by a foreign foe or by any change of policy on the part, I will not say of the present ruler of Afghanistan, for of his steadfastness and fidelity we have received satisfactory proofs, but on the part of any of his successors. With such a consensus of opinion in the Parliament of Great Britain, the Government of India had no difficulty in discerning what line of action to adopt. Some very complete and well-considered projects for the construction of military railways wherever strategic considerations might require them to be laid had already been drawn up by the late Viceroy and accepted by the Secretary of State, and during the past summer the military authorities here, in conjunction with those at home, have been elaborating a plan for the erection of such places of strength, fortresses and fortified positions, as may be best adapted for the purpose we have in view. In doing this we shall be merely following the example of every other nation in the world, who, no matter how friendly may be its relations with its various neighbours, rightly feels that its security and peace should not be allowed to depend upon their good-will, however genuine, or their professions of amity, however sincere, but upon their own valour and prudence, aided by such means as military science can suggest for the protection of their borders.

"It has also been determined for the same reasons to increase to a moderate degree the numbers both of the British and of the Native forces in India. This is a measure which the late Commander-in-Chief, one of the most economical, sagacious, and prudent officers that ever occupied that high position, most earnestly counselled, and the necessity for it has been impressed upon us in an equally emphatic manner by his present distinguished successor, as well as by other persons entitled to speak with scarcely less authority. But, though anxious and ready to give every proper consideration to the recommendations of those who are the legitimate advisers of the Government of India in these matters, we felt that due regard had also to be paid to the financial exigencies of the situation. Consequently, the addition we propose to make to our present forces falls considerably short of the figure desired by Sir Donald Stewart and other high military authorities both here and at home. In coming to this conclusion the Government has felt that it was incurring a very grave responsibility, but still, on balancing the conflicting considerations forced upon our attention, we are convinced that the more moderate limit we have adopted is the one best suited to the circumstances of the case.

"Unfortunately, precautions of this kind cost money, and the necessities of the case require them to be pushed with energy and rapidity, and, although the expenditure needed for the greater proportion of these works will be, as heretofore, provided by loan (and by sums refunded to us from time to time by the private Companies to which Government Railways may be transferred), we shall have, of course, to pay the interest on whatever sums we borrow. Then again there are three Famine Railways which have been already commenced, and which the Government are determined to complete with all dispatch, namely, two in Madras and one in Northern Bengal, And here, perhaps, I may take an opportunity of correcting an error which has been frequently made, and which seems to return to new life each time that it is corrected, namely, that any inroad has been made upon the famine grant. When I arrived in the country, I found that the system which had been followed by my predecessor had been to apply half a million a year from the famine grant to famine railways, 250,000 *l.* to irrigation works, and the remainder of the grant to the diminution of debt. The justification for its application to this latter purpose has been so fully set forth and explained in a speech of Sir Evelyn Baring's that I need not say any more upon that head. Such was the system I found in vogue when I arrived in India, and during the current year that is the exact system which has been followed. These facts are perfectly well-known to all that are acquainted with the subject, and now that I have myself re-stated them in Council, I trust that the foolish ghost of this perennial fiction has been once and for ever laid. In fact, I may say that, so far from diverting the famine grant to extraneous purposes, there is nothing which myself and my colleagues have so strongly urged upon

the Secretary of State as the desirability of continuing the policy sanctioned by our predecessors, at all events, until we shall have reached a stage when our famine protective railways shall have sufficiently multiplied to compress within tolerable bounds the chance of such casualties from famine as have desolated the land in past times. But, though such is our intention and desire, we have thought it perfectly consonant with the principles I have enunciated to ask the Secretary of State that, instead of making all these famine protective railways ourselves, we should be permitted to apply a small proportion of the famine grant to the payment of interest to certain companies whom we propose to entrust with the construction of special lines possessing a protective character, and which, by their completion, will diminish the evil consequences of bad seasons in various threatened districts.

"Such, gentlemen, are the circumstances under which the Government of India have asked this Council to give leave for the introduction of the present Bill. Stated briefly, our chief justification for the measure is to be found first of all in the extraordinary fall of silver which has recently taken place, and in the uncertainty which prevails as to the future fluctuations which may affect its value. In the presence of such a state of things, the strengthening of our financial position became an absolute duty, and the performance of this duty has been rendered still more incumbent upon us by the necessity which has been equally recognised by every shade of public opinion in England, of strengthening our frontier defences, and prosecuting with energy the completion of our frontier railways. In determining the amount of money to be raised, we were very careful to limit it to the minimum sum which we thought it safe to ask for, and you may be satisfied that in carrying out the programme which has been determined upon, the Government will be careful to square its efforts with the means at its disposal. All the works which are contemplated cannot, of course, be carried out at once, and by the exercise of prudence and discretion, and by a wise adaptation of the means at our disposal to the ends in view, it may fairly be hoped (unless some unforeseen catastrophe should overset our calculations) that with this slight addition to the taxation of the country, which, as I said before, will merely touch those who hitherto have contributed but slightly to the public burdens, we shall be able to carry out our programme. Nor need we by any means despair of a very considerable proportion of the expenditure to which I have referred proving remunerative. Railways, of course, which are simply constructed for strategical reasons, cannot be expected, as they are not intended to prove profitable commercial speculations; but it so happens that the two principal railways which are to subserve our military needs will run in such a direction as, in all probability, to become of the greatest service to commerce. As every one knows, the caravan route which connects Hindustan with Persia and Central Asia runs through Quetta, and the goods which are now conveyed on camels' backs to the proximity of the Indus may be expected to feed the chief of these lines with a continually growing traffic. Again, the Sind-Saugar Railway, which will enable us to move our troops along the whole face of our frontier, may, from the peculiar circumstances of its location, eventually become a considerable commercial artery. These results, however, are only subsidiary to the main purpose of the two lines in question, and I merely mention them as affording some consolation to those of us who, like myself, have an instinctive dislike to purely military expenditure.

"It only remains for me, gentlemen, to thank you for the patience with which you have listened to me, and to apologise for the length of my observations; yet there is one thing which I desire to say before I conclude. Although I have not the slightest doubt or difficulty in recommending you to agree to the introduction and to the eventual passing of this Bill, I cannot help desiring to express my extreme and heartfelt regret that the occasion should have arisen for legislation of this description. The imposition of taxes is always an ungrateful task to any Government even when its measures have received through their representatives the sanction of a majority of the people. The performance of such a duty to persons situated as are my colleagues and myself is still more irksome. When I reached the shores of India, I had marked out for myself a very different programme. For five years the country had been administered by a wise, cautious, and distinguished statesman, who had devoted his attention to the internal welfare

welfare of Her Majesty's Indian subjects. Peace reigned from one end of the land to the other; and though our financial member could not boast of more than an actual equilibrium between our resources and our expenditure, there was no reason to anticipate until some months after my arrival that anything was likely to disturb the even tenor of our way. My predecessor having had such exceptionally favourable opportunities for introducing reforms, and of bringing the institutions of the country into harmony with its growing wants and aspirations, my ambition was confined to the humble intention of watching the effects of his policy, and tending and watering what he had planted. We all know how rapidly these prospects have been overclouded by a succession of adverse circumstances over which this Government has had no control; and now, at the expiration of the first year of my term of office I and those associated with me in the government of the country find ourselves driven to a course of action which cannot fail to cause inconvenience to certain classes of our fellow-countrymen, whose worldly trials and troubles are already sufficient, I daresay, to try their patience and fortitude to the utmost. Let me assure them that, at all events, neither my colleagues nor I have failed to comprehend the many sacrifices which the imposition of this taxation, moderate as is the scale we have adopted, and comparatively few as are the individuals it will affect, cannot fail to entail upon many of them; and most deeply do we lament the necessity of subjecting them to the ordeal. These observations more especially apply to those Anglo-Indian servants of the State who are compelled by their domestic necessities to transmit to England the greater part of their hard-won earnings for the support of their children. That very depreciation of silver from which the revenues of the State have so greatly suffered has also made itself felt in their case with the most bitter severity. On the other hand, however, it must be remembered that only five years ago three millions of taxes were remitted by the Government of the day. The amount of taxation which we are about to impose will not probably bring in more than six or seven hundred thousand pounds, so that when all is said and done, the inhabitants of India will be still left the enjoyment of more than two millions of the taxation which was remitted in 1882 by Sir Evelyn Baring. Indeed, if an actual calculation were made, I think it might probably be shown, at all events in the case of the wealthier classes we are now bringing into our net, that the gain they have derived from the remission of the import duties compensates them in a considerable degree for the additional impost to which they are being subjected. Be this, however, as it may, whatever the sacrifice, whether it affects the Anglo-Indian or the native servants of the British Crown, of this I am sure, that if they are once convinced that the measures proposed by this Bill are necessary to maintain unendangered the honour of the Queen-Empress and the safety and security of the Indian Empire, and of the millions of hearths and homes it contains, as well as the stability of our public credit, they will cheerfully submit to them. The offers of assistance forwarded to me during the course of last summer in so generous a manner by the Princes, Zamíndárs, and leading men of the country more than justifies such an expectation. But the days are past for supplementing the resources of the State by private benevolences. The only fair and effectual way of accepting the assistance we have been proffered is by recommending to the generous acceptation of the people a fair, just, and equal measure of taxation. This in our hearts and consciences we believe we have done. But there is one other measure by which we intend still further to fortify our financial position, and to protect it from whatever changes or chances the future may bring forth. Although from time to time during past years frequent endeavours have been made to examine the great machine which constitutes the Indian Government, with the view of rendering its operations more effective and economical, much I cannot but believe still remains to be done in that direction. As you are aware, the Government of India itself controls but a part of the expenditure of the country, so large a proportion of the Imperial resources having been confided to the control of the Provincial and subordinate Administrations. Very soon, however, the Provincial contracts instituted between ourselves and the Local Governments will expire; and it will be necessary, especially in view of the circumstances to which I have referred, most carefully to review them. At a time when fluctuations in the currency are threatening the stability of

our whole financial system, and when the possibility of external commotion is darkening the political horizon, it is very evident that the duty of economy and retrenchment ought to be prosecuted with the utmost energy and decision. Already we have initiated this policy with effect; and by an appeal to the Provincial Governments, which I must say was answered with the greatest loyalty, we have to a very considerable extent been compensated for our additional military expenditure. But this was a temporary measure to meet an equally temporary need. It is now desirable to ascertain whether it would not be possible to add considerably to the margin of our resources by a careful revision of our Imperial and Provincial expenditure, as well as by the addition to our income with which the present Bill will provide us. With this view the Government of India have determined to issue a Financial Commission, so strongly constituted and furnished with such instructions, as to ensure that the task entrusted to them will be conscientiously performed, and to prove conclusively that the Viceroy and his colleagues are thoroughly in earnest in their determination to adapt the administration in all its branches to the financial exigencies of the Empire."

The motion was put and agreed to.

Sir A. Colvin.

The Honourable Sir *A. Colvin* then introduced the Bill. He said: "In introducing this Bill I do not propose to occupy the attention of the Council very much longer. I have already stated, in making the motion for leave to introduce this Bill, that this measure follows the lines of the existing License Tax Act as closely as the different circumstances of the case would allow. Thus we have retained as far as possible the machinery of assessment and appeal, so as to minimise, where we cannot wholly avoid, the chances of inquisitorial or vexatious proceedings. But, of course, in extending the tax to the classes included in this Bill, and in doing away with a maximum rate of assessment, we have been obliged to modify the provisions of the License Tax Act. In the second Schedule of the Bill will be found the sources of income which will be liable to the tax, and which fall under four heads, each being taxed under a separate part of the Schedule. The first part includes salaries and pensions, the second, profits of joint stock companies, the third, interest from securities, and the fourth, other sources of income, that is to say, the trades and dealings now taxed under the License Tax Act, plus professions and certain other sources of income not included in the previous parts. With regard to the rate of assessment, we propose to make it a rate of five pies on the rupee, or approximately 2½ per cent. upon incomes of 2,000 rupees per annum or upwards, and four pies, or approximately 2 per cent. upon incomes under 2,000 rupees per annum. We have thought it more convenient for purposes of calculation and assessment, to take so many pies on the rupee rather than a percentage, and in so doing we have followed the precedent of 1870.

"Then, with regard to sources of income not to be subjected to assessment under this Bill. They include income derived from agriculture and from land liable to be assessed to land revenue, or subject to local rates, the income of charities, interest upon stock notes, the pay of military officers drawing 500 rupees a month or less, all persons whose incomes from all sources are less than 500 rupees per annum, and the salaries of Government officials drawing less than 100 rupees per mensem. The sums paid under the capitation tax in Burma and the pándharí tax in the Central Provinces will be deducted from the amount which persons assessed to them will have to pay under this Bill. With regard to the mode and machinery of assessment, the tax upon salaries, and upon pensions and the interest upon Government securities will be deducted by the paying authority. In the case of joint stock companies, notices will be issued to be filled up with a return of income. In the case of incomes arising from other sources, a distinction is made in respect of incomes of and above, or incomes under 2,000 rupees. In the latter case, incomes are graded in six classes, ranging from 500 rupees to 2,000 rupees, and for each class a fixed amount is prescribed. A list, as under the License Tax Act, is to be drawn up of the amount of assessment and the names of the persons liable to pay in this class, and such list will be notified in the office of the assessing officer. For incomes of 2,000 rupees and over, notices will be served intimating to the persons assessed the amount they are liable to pay and the sources from which their

their income are chargeable, with certain other details which will be found in the Bill. This will be the general rule, but the Local Governments may make modifications in it with reference to special circumstances which they consider necessary. The machinery for the hearing of appeals and the revision of assessments is practically the same as under the existing License Tax Act.

"I do not know that I need specify further the characteristics of the other sections of the Bill. I think I have called attention to all which are in any way vital or which most require the attention of members of the Council."

The Honourable Sir A Colvin also moved that the Bill and statement of objects and reasons be published in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

The Council adjourned to Monday, the 11th January 1886.

The Council met at Government House on Monday, the 11th January 1886.

License Tax Amendment Bill, 1886.

Sir A. Colvin. The Honourable Sir *A. Colvin* moved that the Bill for imposing a tax on income derived from sources other than agriculture, be referred to a Select Committee consisting of the Honourable Messrs. Ilbert, Hope, Quinton, Hunter, and Steel, the Honourable Rao Saheb Vishvanath Narayan Mandlik, the Honourable Peári Mohan Mukerji, and the mover, with instructions to submit their Report on the 22nd instant.

Mr. Hunter. The Honourable Mr. *Hunter* said:—"My Lord, as I shall have an opportunity of expressing my views on the individual provisions of this Bill in the Select Committee, I shall not at its present stage detain the Council at any length. But on the introduction of the measure, your Excellency referred in weighty and eloquent words to two subjects which have always seemed to me of the highest importance, and in regard to which I entertain firm convictions. The first of these subjects is the attitude of Native public opinion to the policy of the Government. The military precautions taken by your Lordship's Government in the early part of the year evoked an outburst of loyal support which created a deep impression in Europe, and helped to still more closely knit together British and feudatory India. The military measures, deemed equally imperative by your Lordship's Government towards the close of the year, have been criticised by a section of the Native Press in a different spirit. The truth is that, in the former case, the Native Press was cognisant of the facts of the situation; in the latter case it was not. Every Native journalist knows that the epoch-making invasions of India in the past have come from the north; and every great Native family and feudatory chief realises that any such invasion in the present would mean the ruin of his house. With regard to the operations in Burma, on the other hand, the facts were obscure and the causes were practically unknown. The constitution and circumstances of the Government of India almost preclude it from those prompt disclosures of its grounds of action, which tend to keep public opinion in harmony with public policy in other dependencies of the British Crown. The Native Press has here to grope its way amid false rumours and ambiguous voices, stumbling over errors before it reaches the truth. Your Lordship's declaration of policy last Monday will, therefore, profoundly influence public opinion throughout India. For that declaration made it known that, quite apart from Palace massacres or Court crimes, or internal misrule in Upper Burma, and only when the future of a British province was seriously compromised, and after honest and sincere endeavours at an amicable settlement had been frustrated by the folly of the king, did your Lordship's Government resort, as the last alternative, to war.

"By the attitude of the Native community in this juncture it will hereafter be judged. A policy of wise preparation against external dangers has been laid before it. The crisis of April placed the necessity of that policy beyond doubt. Of the moderation and financial prudence with which the policy is being conducted, your Lordship's speech contains convincing proofs. The circumstance that, in the anxious moments of last summer, while every prepara-

tion was successfully made, yet not a regiment was mobilised nor a penny spent except on precautionary measures, is a fact more significant to the taxpayer than any pledges or promises. Nor less significant is the fact that the Government has had the courage to curtail the increase to the military forces recommended by so sober-minded an adviser as the late Commander in Chief. In so doing the Government spared the taxpayer by taking a very heavy responsibility on itself.

"During seven centuries India tried the opposite policy of non-preparation, with appalling results. Again and again its peaceful populations were submerged beneath waves of foreign invasion. Those invasions came not only from Central Asia into the Punjab, but from Burma into the Provinces of Assam and Lower Bengal. It should never be forgotten that on the map of Bengal in the last century, vast districts, within 36 hours' sail of Calcutta, and now peopled by millions of prosperous cultivators, appear bare of villages, with the terrible words written across them 'Depopulated by the Maghs' or Burmese. In Northern India, during a short period of twenty-three years in the middle of the last century, six exterminating hosts from Persia and Afghanistan swept across the country, leaving a broad tract of desolation to mark their route. For the chronic state of unpreparedness which had cost India so appalling a sum of human misery, the British Government substituted a policy of preparation which from time to time imposes certain burdens. In the first quarter of this century, that policy imposed a heavy burden to meet the menaces of the greatest military Power then in Europe. In the fourth quarter of the century, it is imposing a lighter burden to protect India against possible danger from another great military European Power. And as the measures of Lord Wellesley postponed the danger from France, till it passed altogether away in the last generation, so may we, with a good confidence, look forward to similar results from your Lordship's precautions against Russia in our own day. I believe that the true issues have only to be understood by the people of India, in order that they shall gratefully accept the policy of the Government, and bear, without a murmur, the burdens which it may impose. Most of us have watched with interest the efforts lately made by Natives of India, to win their way into Parliament, and I for one sincerely regret the unfructuous result of their endeavours. But those results show that, in order to obtain the suffrages of Englishmen, you must possess not only their sympathy and goodwill, but also their more slowly granted confidence. The Natives of India have now the opportunity of giving a conspicuous proof that they cordially identify themselves with measures demanded for the safety and integrity of the Empire, and that they cheerfully accept their share of the burden which those measures involve.

"The other matter on which I should like to say a few words has reference to the form in which the burden is to be imposed. Without raising questions as to the abstract merits of direct or indirect taxation, I desire to express my conviction that an income-tax is at present, and has for some time been, the only equitable form of new taxation in India. I agree with those Native writers who have been urging, both in the journals and in independent treatises, that an undue proportion of the revenue has, of late years, been raised from imports falling heavily on the lower classes. The Finance Minister has explained how the fiscal reforms of 1882, by drying up the chief source of increased indirect taxation, brought the country face to face with direct taxation. The most prominent of those reforms, namely, the abolition of the import duties, has also had the effect of disturbing the adjustment of taxation between the rich and the poor. For since the Indian cotton mills began to produce the coarser qualities of cloth on a great scale, and the duty was consequently restricted to the higher qualities, the import tariff acted to a large extent, although not entirely, as a tax on the well-to-do classes. The peasant, who requires a stout, coarse garment which he can wash out every day when he bathes in the village tank, profited little by the abolition of the import duty on the finer sorts of piece goods. I believe that an income-tax, moderate in amount, and levied by an efficient permanent staff, is not merely the financial corollary of the abolition of the import duties, but that it will tend to a more equitable distribution of the public burdens between the rich and poor.

"I am aware how heavily the least additional pressure must at present fall on our own countrymen in India, struggling to maintain their position here, and

and to educate children at home, with a depreciated rupee. The sincere and eloquent words of sympathy in your Lordship's speech last Monday have gone to many an Englishman's heart. One sometimes hears it urged that the duty on liquors is in itself a sufficient contribution from the European community. But it should be remembered that the duty on liquors, paid chiefly by Europeans, yields but a small total sum as compared with the internal excise, paid almost entirely by the Native population, and to a large extent by Natives of the poorest class. If the import duty on liquors amounted to 422,138 *l.* in 1883–84, the internal excise yielded 3,836,961 *l.*

"The only practicable alternative to an income-tax is an increase of the salt-tax. Sir Auckland Colvin has shown that such an increase would fall most heavily on the classes least able to bear it, and he has brought forward other unanswerable arguments on the same side. From my point of view there are two considerations which have a special cogency at present. Under the new system of a moderate uniform rate of salt-duty, a gradually increasing quantity of salt is being consumed. If that increased consumption is allowed to reach its natural expansion undisturbed, a very small increase to the rate of duty will, before many years elapse, yield a very large addition to the revenue. Moreover, the extension of railways will, before long, materially lighten the actual burden of the salt tax on the people in the interior of India. The cost of the carriage of a ton of salt by railway is less by two annas a mile than the cost of its carriage by cart. If the salt travels 450 miles, or less than the distance from Calcutta to Benares, and much less than the distance from Bombay to Nagpur, the effect of this difference is to reduce the cost to the consumer by more than the whole duty levied by Government. I may mention that, incidentally following the reform of the salt duty in 1882, has been a freer development of an important food-producing industry. More than 100 fish-curing yards, under Government inspection, have been established on the Madras coast. Last year they produced 20,000 tons, and this year their outturn is estimated at 30,000 tons of wholesome food. I am aware that the system of supplying cheap salt for fish-curing might still be followed. But any change in a reformed system so recently established, and only gradually developing its results, is to be deprecated. Apart from the undue pressure of an increase in the salt duty on the poor, there are important considerations against any such increase at present.

"While, however, I believe that an income tax is equitable in its character, I acknowledge that it may prove most oppressive in its incidence. The odium which has attached to the successive Indian income taxes is chiefly due to the successive inquisitorial scrutinies required for their assessment. The tax has been laid on with a pledge that it will be taken off in a year or two, or within a limited period, and an army of poorly paid officials has been let loose upon the country, resolved to make the most for themselves out of the temporary job. With continuity of assessment, and with moderation in assessment by means of a permanent staff, much of this oppression has ceased. It is possible to name districts in which the system of record is now so perfect as to have almost put an end to oppression altogether. I observed, therefore, with satisfaction, that the present Bill was introduced without any pledge as to its temporary duration. The Bill is so drawn that it will not become inoperative by mere efflux of time. If the income tax is to be hereafter abolished, it must therefore be abolished by a deliberate Act of the Legislature, and after a public discussion of the whole facts. I sincerely hope that another period of general remission of taxation, such as that of 1882, may again come to India. But until that time arrives, I regard the continuous levy of a moderate income tax as one of the most equitable sources of Indian revenue.

"I say this without pledging myself to all the details of the present Bill. Those details will be dealt with in the Select Committee. I must, however, at once express my regret that no deduction is allowed from the assessable income for payments for life insurance or deferred annuities. The English income-tax law has long recognised the expediency of encouraging thrift by making such deductions. The present extension of the licence tax to the professional and official classes, whose brains are their sole stock-in-trade, and who have no good-will of a business to leave behind them, seems to render such a deduction particularly necessary in India. The gradual disintegration of the joint Hindu family, which acted as a minute mutual assurance company or friendly society,

points to the same conclusion. The exemption of payments for life insurance should not, in my opinion, be left to executive rules, but should form a part of the Act. Again, it is not clear to me at present why a clerk in a Government office, drawing 99 rupees per mensem, should be exempted from income tax on his salary, while a clerk drawing the same amount in a bank or merchant's office should have to pay. The responsibilities of employers for collecting the income tax from their servants; and especially the responsibilities imposed by the Bill on shipping-agents and companies, also seem, in some respects, to require elucidation or modification.

"In conclusion, I desire to express my sense of the simplification which this Bill effects in the Indian law, and of its perspicacious brevity as compared with the English Income Tax Acts. I have been lately trying to understand the legal enactments under which the income tax is levied in England. In Mr. Dowell's work on the subject, published in 1874, the Income Tax Acts number 50, and their text fills 326 pages. To these are appended extracts from 18 other Statutes, occupying another 120 pages, and requisite for a complete comprehension of the law. Instead of this voluminous compilation, and in place of the six enactments which have hitherto regulated the license tax in India, the whole subject-matter is here embodied in one compact Bill."

Mr. Steel. The Honourable Mr. *Steel* said:—"The country will sympathise with your Lordship's Government in the mortifying necessity that, while you have so favourable an account to give of the revenue, you should be compelled to resort to fresh taxation. And, if such taxation is required for the well-being of the State, you may rely that a loyal and reasonable community will respond cheerfully to the sacrifice demanded from it. I trust it is not necessary for me to disclaim, on behalf of Anglo-Indians, the application to them of my honourable friend's sarcastic reference to 'those who are willing to transfer to others their share of misfortune.' Such will not be our attitude. We are suffering exceptionally, in a period of general prosperity,—some of us from deteriorated investments, others from depreciated exchange, and many of us from the excessive competition which renders the struggle for existence keener and keener as years go by,—but we are all ready to bear our fair share of the burdens of the State. With regard to the necessity for great additional expenditure, I have little to say. Your Lordship's speech set forth, in stirring and weighty terms, the paramount duty which devolved upon you of strengthening and consolidating our military resources. The country distinctly recognises the need of placing India in a position where her safety is assured, not by treaties or arrangements with others, but by her own commanding strength. 'When the strong man armed keepeth his palace, his goods are in peace.' This attitude must be ours. You have described to us the means you have adopted with this end in view, and we approve of your fortresses, your frontier railways, and your additions to the army. We believe the expenditure is indispensable, and are ready to pay the bill. We note with satisfaction the promise of a Commission to insure due economy of our resources, and take leave to remind you of an important economy, combined with increased efficiency, which may be attained by following the advice of the Army Commission, from whose report so much was expected.

"Having thus admitted the necessity of expenditure, I agree heartily with the honourable Member in repudiating the cowardly suggestion that in a period of general prosperity we should provide for our present requirements by borrowing. Nothing but overwhelming necessity can justify such an improvident expedient. I use the same term with regard to our reserve for famine. The policy of which that reserve was the outcome was the subject of careful and anxious thought and deliberate determination. We must pursue the path until we have attained the goal in view. When introducing this Bill, the honourable Member devoted the earlier part of his speech to a comparison of the Budget estimates of the last three years with the income actually obtained from existing sources of revenue. He demonstrated to the satisfaction of the country the elastic and expansive character of its resources, and silenced those dismal forebodings of financial ruin periodically launched from the platform and the press. He produced evidence of the advancing prosperity of India under British rule, and satisfied the world that our consistent efforts to improve the condition of the people are achieving the results to be anticipated from them. The honourable Member estimates that existing sources of revenue will defray the expenditure of the country, with the

the exception of a sum of 700,000 *l.*, most of which he now proposes to raise by this Bill. I will here express the opinion that his estimate of revenue is by no means too sanguine. On the contrary, I confidently expect that at the conclusion of the financial year we shall have to congratulate him on a surplus as great as the average of the past three years. This happy result I look for partly from the bounteous harvest of which we have every prospect, and partly because I cannot agree with the gloomy view taken by my honourable friend, and shared by your Lordship, of the effect on our revenue to be anticipated from the depreciated exchange which he assumes as the basis of his calculations. Although I feel some reluctance to enter upon this intricate and difficult subject, its importance is so great that I must support my views by argument. A change in the relative value of the precious metals, which is the cause of our fluctuating exchange, neither increases nor diminishes the material wealth of the world. The change merely involves a transfer from one hand to another. Some must gain by every fluctuation, and what some gain others must lose. If the value of silver declines the losers are the owners and producers of the metal, and those to whom obligations are due in silver currency. The gainers are the consumers and debtors. India must belong to one of these two classes, and no argument is necessary to prove that she does belong to the latter. But, while I cannot expect that the honourable Member will contest this general proposition, I am prepared to hear him argue that the gain to the national resources may be concurrent with the loss to the Exchequer which he foreshadows in his speech. This view will be supported by the following argument. The fall of exchange causes a direct loss on the payment of home charges in gold. At the same time, if we do not increase our land revenue with each depreciation of our currency the advantage all goes to the landholders, and if we do not increase our salt tax the gain goes to the consumer and not to the Government. All this is true, but I reply that other important elements of the question are left out of consideration. When the purchasing power of silver declines we obtain a higher price for Bengal opium. I confidently assert that from this source alone we recoup ourselves for one-half of our loss on home charges. There is another important item of gain. A fall in exchange, when accompanied by no corresponding advance in rents or in cost of transport, is an immense stimulus to exports, and increases the income of Government railways. Here, my Lord, we find an explanation of our surpluses. Our budgets have brought into account all the losses which arise from falling exchange, but have failed to take credit for the compensating gains which must accompany them. Holding these views, I expect in the coming financial year a large surplus over the estimate of revenue which has been put before us. I state this, however, rather as a cause of satisfaction than complaint. I look upon it as the duty of Government to provide in prosperous times a very safe margin of income over expenditure.

"I now come to the main topic of debate. Does this Bill provide the best means of raising the additional revenue we require? The honourable Member has told us that he expects to have to defend his Bill against champions armed with the rusty and obsolete weapons of antiquity. If there be any such, I have not enlisted in their ranks. I have not been compelled, like my honourable friend, by either duty or inclination to ransack the records of past years. I can urge upon the Council nothing more venerable than contemporary public opinion, and I am happy to say that the views I will express are sanctioned by the approval of the leading representatives of commerce in this city.

"The first principle of a proper system of taxation is, that it should be fair in its incidence, and the second, that no unnecessary wastage should be involved in collection. Besides these, it is obvious that the form of taxation should cause no unnecessary oppression or irritation, and should be framed in accordance with the wishes and even the prejudices of the people. Judged by this standard, direct taxation is less suited to this country than indirect taxation, if only we could ensure that the latter could be made to fall equally upon the various sections of the community. But as it appears that no indirect form of taxation can be devised which will obtain from a certain class their proper contribution, I must express my approval of a system of mixed direct and indirect taxation. As the choice lies, therefore, between the license tax and an income tax, I unhesitatingly prefer the latter. The license tax was grossly unfair in its incidence. The big fish broke through, while the small were caught in the net. This Income Tax Bill is at least intended to be fair. I believe some

some of its details are quite unworkable, but these may be amended in Committee; and if the Committee can secure that the means and instruments provided for carrying the Bill into effect are calculated to cause neither oppression nor needless irritation, I will be content with it. My honourable friend will look upon me as another Balaam if I agree with him any further; and I must now attack him on his vulnerable side.

"I must protest in the strongest terms against any budget which does not redress the crying evil of our financial system. The honourable Member will anticipate me. I refer to the export duty on rice. To my mind it seems inconceivable that such an objectionable impost should be preserved in any civilized country. An export duty on raw produce, and that produce the food of the people. With all our study of economies, can we do no better than this? It is as hurtful in practice as vicious in principle. Who would dream of an export duty on wheat? In principle there is no difference. Let us consider its effect. An export duty of 10 *s.* per ton is equal to a percentage ranging from 5 to 10 upon its value. It absolutely shuts out the grain from important consumption for distilling and sizing purposes. It reduces the foreign consumption of rice for food when it comes into competition with other articles of food. It thus limits the production of the principal agricultural product of Bengal and Burma at the cost of the agricultural and labouring classes. By checking the production of rice it diminishes the reserves to which we must look in case of scarcity and famine. I look upon this rice tax as the very worst possible source of revenue which could be devised, and cannot approve any budget which does not get rid of it, even at the cost of fresh taxation. I have been informed that at the abundant harvest of 1882 much rice was actually allowed to rot upon the ground, because not worth the cost of saving, which but for this duty might have been profitably saved and shipped. But it is not sufficient to prove that a tax is objectionable, unless I can provide a less objectionable substitute; and this condition I will endeavour to fulfil. I propose that the 600,000 *l.* required for the remission of the rice duty be provided from other indirect taxation. As the import duty on textile fabrics has been mentioned in this debate, I may as well say at once that, while this source of revenue should never have been abandoned while another more objectionable remained, still what has been done cannot be recalled. We must then look to the salt tax, and I propose by raising this four annas per maund to obtain the sum which we should remit on rice. Now, I am well aware that to touch the salt duty may be condemned in certain quarters, and I must therefore support my position by an examination of the incidence of the salt tax. It has been abused by some because it affects the working classes. Unless it affects them unfairly I look upon this as a merit. I need not protest in this assembly against the socialistic notion that the working classes should contribute nothing to the State. I propose to show that it falls so lightly upon the people as to be practically unfelt. When Major Baring reduced the tax to two rupees per maund he specially reserved the probability that the tax must be raised if exchange declined. Exchange has since declined 10 per cent. The cost of salt to the consumer is about five rupees per maund, and the increase I suggest is 5 per cent. on this price, leaving the consumer 5 per cent. better off than he was before. But it is necessary for the purpose of refuting objections to show how the tax really falls upon the people. The labouring classes supply themselves with salt by purchasing bi-weekly from the village shops. Their requirements for a year are then divided over 104 portions. The incidence of the duty is four annas per head, say 4½ pence sterling, per annum. The quantity purchased on each occasion is so small that it is not even weighed, but is given to the purchaser in a rough pinch or handful. Its value is so small that it is not possible to represent it by the smallest coin of the realm, but is paid for in cowries. To speak of such a tax as oppressive is a misuse of terms. It has never been complained of by anyone except exotic philanthropists, and in raising it a halfpenny per head per annum I think we should harm no one. It is my honest conviction that the peasant has never yet discovered that the tax has been reduced, and that he will neither know nor feel this small advance. The honourable Member believes that the increased consumption of salt has been caused by the reduction of duty. I believe he is mistaken. I believe the increase is due to the increment of population, the great extension and cheapening of the means of transport, and above all to the abolition of the customs line. I beg to assure the Council that I do not propound

pound these views as my own. They have been pressed upon me by the Committee of the Chamber of Commerce and others of our most influential fellow citizens. I hold in my hand a statement of the imports of Liverpool salt into Calcutta during the last 10 years. The figures concerning all India are not in my possession, but this statement shows some curious facts regarding the salt consumption of Bengal. The largest increase of the decade was in 1876. There was no reduction of duty that year, but the consumption rose 13 per cent. After the reduction of 1882 the consumption rose 7¾ per cent. in 1883, and of this increase 1¾ per cent. was lost in the following year. My conclusion from all this is that we should do a service to the country in general, and the poor in particular, by taking the duty off rice and adding four annas per maund to the salt duty. I would recommend this, my Lord, from a consideration which, I hope, may influence you as a statesman and man of the world. If the salt duty is ever to be raised, the objections to it will gain force unless it is done on an occasion like the present, when you are imposing direct taxation.

"Before concluding, my Lord, I must address myself to another subject which appears to me to demand a change of system in our finance which would result in an important economy of the resources of the nation. The recent Government loans for public works have been raised in England, which is the cheapest market; and although this course has been made the subject of needless apology we may hope that the wasteful and extravagant system of borrowing in India will not be resumed. But, unfortunately, Government has expressed its intention to require that all loans for local and municipal purposes, such as the docks of Calcutta and Bombay, must be raised in India. I must protest against a system so generally condemned being applied even in this partial manner. We can borrow money in England 1 per cent. cheaper than in India, involving a saving of $\frac{2}{9}$ths of the entire charge of interest. The only possible justification for accepting such a loss must be the reasonable fear of a further extraordinary decline in silver. The fall represented by this difference is from 1 *s.* 6 *d.* to 1 *s.* 2 *d.* the rupee. Now, although no one can tell what may be the course of the silver market, and although a further fall seems probable at present, we can pretty safely assume a limit to the possible continuous rate of decline. An adequate and detailed demonstration would fill a volume, but I think I can prove enough for my purpose in a few words. The amount of silver bullion and coin in the world is about 700 millions. The annual production is 23 millions, of which eight millions are absorbed by arts and manufactures and the wear of coin. There remain annually 15 millions available for coinage. Assuming an extreme pessimist view, the decline in the value of the coin cannot exceed the proportion of its increase in quantity. The 715 millions of one year must be worth at least as much as the 700 millions of the year before. On this basis the continuous average decline cannot be more than 1 *d.* per ounce, or $\frac{3}{8}$ *d.* per rupee. But, while the fall cannot be more than this, there are many reasons why it cannot be so much. The specie requirements of India and China must increase; and a great fall in value must produce an effect on production. If exchange falls steadily $\frac{3}{8}$ *d.* every year for 10 years it will come down from $\frac{1}{8}$ to $\frac{1}{2}$, but in the meantime we should benefit for 10 years by borrowing in England to the extent of $\frac{2}{9}$ths of our interest charges. I do not pretend that this is a scientific treatment of a complex problem, as the fluctuation in value of the precious metals is affected by appreciation of gold as well as by depreciation of silver. Having regard, however, to conditions of time and place, I put forward these observations as sufficient proof of the correctness of the general view that every loan effected in India involves an extravagant waste of our resources."

The Honourable Mr. *Quinton* said: "I do not propose to follow my honourable friend who has just spoken in his criticism of the budget, in the objections he has urged to the export duties on rice, and in his proposal to substitute for them an increased rate of duty on salt. It appears to me that the functions of this Council when discussing a Tax Bill on an occasion like the present are similar to those of the House of Lords at home when debating a Money Bill sent up by the House of Commons. We must either accept or reject it as a whole. The members of this Council, excluding the members of the Executive Government, have neither the knowledge nor the information which would warrant them in forcing on schemes of their own in preference to those laid before them on the responsibility of the Government of India. One remark of

the honourable Member I cannot, however, pass unnoticed. He observed that an increase to the rate of duty on salt would affect the consumer inappreciably. The controversy is not a new one; but I am old enough to remember an inquiry made on this point in Oudh some 20 years ago, the result of which was, to the best of my recollection, that an increase to the rate then existing would unduly straiten the means of the people to supply themselves with a sufficiency of an article essential to their health, and what to an agricultural community is almost equally necessary, to the health of their cattle.

"I now pass on to the subject immediately before us. The speeches of your Lordship and Sir Auckland Colvin at the last meeting of this Council must satisfy us that, owing to causes over which the Government of India have had but slight control, the current financial resources of the State have become inadequate to the demands made upon them in order to secure the welfare and safety of British India. The continued fall in the price of silver, coupled with the increased military charges, has proved to be too great a strain on the ordinary revenue.

"We must also accept, and I for one most thoroughly acquiesce in them, the reasons which prevented the Government of India from retracing its steps and reimposing the customs duties abolished in 1882, from increasing the rate of the salt tax, or from borrowing to satisfy our present wants. Your Excellency has assured us that measures of economy have not been lost sight of, but that, before they can be fully considered and carried into effect, the finances must be otherwise recruited. It would be impossible without deranging the whole administration throughout the Empire to use the shears to such an extent as to fill up immediately the deficit now before us.

"These things being so, but little choice was left to the Government as to the means they should adopt to put the finances on a sound footing, and the proposals now made seem to me cautious, adequate, and founded on unassailable principles. As stated by my honourable friend the Finance Member, it has been clear for some time back to careful observers of the management of the finances that an income tax in some shape or other was steadily approaching, and we have not been startled by any sudden apparition, nor have we, as on a former occasion, had a mine sprung upon us in the shape of a demand for a double income tax in the middle of the year. The Bill on the table regulates, equalises, and extends an existing tax, and will take effect from the date when such measures usually come into force.

"Your Excellency and my honourable friend have also left nothing to be said on the fairness and decency of requiring those classes who benefit most by our rule in India to contribute to its support. The opponents of direct taxation are eloquent on the abuses which are, they say, inseparable from such a system of taxation in India, and are eager in their desire to prove the facility with which additional taxation can be imposed on the land. Like the lawyers of Jerusalem, they would load others with burdens grievous to be borne, and they themselves touch not the burdens with one of their fingers.

"Happily the arguments from abuses, such as they were, against the former income tax lose much of their force when directed against the Bill. The license tax is a much narrower measure, and does not touch the agricultural and labouring classes, who already pay a fair share towards the expenses of this Government; it has been in operation for several years; the administration of it has year by year become more careful and complete; the machinery for carrying it out has been rendered more effective; the supervising agencies more skilful in detecting oppression and abuses, and the persons affected by it better acquainted with the means of securing a remedy against unfair assessments.

"Speaking for the provinces of which I have most experience, I feel justified in saying that the tax is assessed and collected with as little pressure and abuse as it is possible to expect in levying any such impost.

"The license tax in its present form, however, yields a sum insufficient for our needs, and is open to one great objection of principle already alluded to by my honourable friend who preceded me, namely, that beyond a certain point the richer a man is the smaller is the proportion of his income that it takes from him. He whose profits are counted by lakhs pays exactly the same as he whose annual income is 25,000 rupees. This anomaly the Bill will remove

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by regulating more fairly the contributions of the wealthy towards the support of the Government to which they owe their prosperity.

"On the other hand, by maintaining a rough classification of small incomes for the purposes of assessing the tax, the Bill removes the necessity for inquisitorial proceedings in such cases, and lessens the opportunities for extortion and oppression by subordinate officials. The wealthy are able to take care of themselves, where humbler men would submit to unjust and vexatious exactions.

"But, my Lord, while approving altogether of the principle of the Bill, and prepared to support the Motion that it should be referred to the Select Committee, I must express my regret that it is considered necessary, on what are, no doubt, strong grounds, to limit the number of classes exempted from its operation, and thereby to curtail still further the incomes of Anglo-Indians of small or moderate means, who are suffering so severely from the state of the exchange with Europe. The Native of India may, as is stated by many and by the high authority of my honourable friend on my right (Mr. Steel), be a gainer by the fall in the value of silver, and share in the increased prosperity of the country which it is alleged has been thereby brought about; but for the Anglo-Indian on a small income there is no such compensation. He must, if married as most are, remit to England for the members of his family whom sickness sends home from this country, or for the education of his children, a considerable proportion of his income. On that sum, be it great or small, the present depreciated value of silver involves a tax of over 30 per cent., and his income is diminished accordingly. The residue can ill bear a further deduction such as is imposed by the present Bill. Owing to the deductions from his income made by the fall of exchange on the one hand and the Bill on the other, his position will be one of unmerited hardship. He will be ground down between the upper and the nether millstone; and I hope that your Lordship in Council, though you have been unable to except the class to which I am referring from their liability to a general tax on incomes, may see fit to devise some means of mitigating the hardship they must otherwise undergo."

Evans. The Honourable Mr. *Evans* said:—"I have nothing to add to what has been said by my honourable friend, Mr. Steel, as to the attitude of Englishmen in India as regards this taxation. We have not flinched, and shall never flinch, from any burden which we see to be necessary for the maintenance of the Indian Empire. I am satisfied that the 660,000 *l.* must be raised, and that there is no other feasible means of raising it except the one proposed by the Government, and I therefore do not object to the tax nor do I deny that it is just and equitable in principle.

"But I wish to point out to the Council that an income tax in India is not the powerful instrument which an income tax in England is, nor an instrument suited to the country or easily to be worked, and that we cannot trust it to meet the deficits which threaten constantly to recur from the fall of silver.

"It is almost impossible to get the traders of an Eastern country like India to make anything like a correct return of the fluctuating yearly profits of their trade. This arises from no viciousness of their nature, for they are just and honest in their dealings with each other, but from the old fixed idea, generated by centuries of oppression, that self-preservation requires that they should conceal their profits from Government and all outsiders. As it is useless to call for returns from them or to assess on the basis of such returns if sent in, the collector must assess at his discretion. To obtain the necessary information the collector must employ agency untrustworthy and corrupt. This will result in much bribery and much extortion and oppression. There will be a vast difference between the amount of money which leaves the pockets of the people and the amount which finds its way into the Treasury. That the comparatively small sum of money now required can be raised by this means I do not doubt; but unless extreme discretion and tact be exercised in the working of this tax, it will create a maximum of irritation with a minimum of results. The great difficulty of introducing and working such a tax as this in an Eastern country, the great danger of oppression by agents open to bribes, is so evidently present to the minds of the Finance Minister and your Excellency, that I need not enlarge upon them. I will only say that this tax is a reed which it will be dangerous and unsafe to lean too heavily on.

"I am not unmindful that the license tax has been in existence for some time, but I doubt if its working can be called satisfactory in Bengal; but the existence of the license tax does no doubt render easier the introduction of this more extended system; and it may be that if this tax is worked in the direction of leniency and without too many changes of assessment (for change and unrest is of all things most abhorrent to the Eastern mind) the people will settle down under it. But to attempt to make it yield its fullest results will be disastrous, and this tax will, I fear, never occupy the same place in our system as its namesake does in England.

"Possibly something may be done in future to make the death or succession duties more profitable by depriving those who do not take out letters of administration to the whole estate of the benefits of the legal machinery of our courts. But this subject is beset with difficulties, and offers no escape from our immediate difficulties.

"I do not share my honourable friend Mr. Steel's view that the depreciation of silver is a benefit, but I see that it threatens us with a yearly widening chasm of deficit, and I think we can feel no security as to our finances in face of the insuperable difficulties in the way of fresh taxation until we hear that the English Government has abandoned its policy of doing nothing, and is taking active steps to meet the danger by international agreement.

"I agree with my honourable friend, Mr. Steel, that the export duty on rice is indefensible and wrong, and ought to be got rid of. So bad a tax is it, that probably the raising of the salt tax is not too great a price to pay for its abolition, though on principle that tax ought only to be raised to meet emergencies."

Mr. Goodrich.

The Honourable Mr. *Goodrich* said:—"The honourable Member who spoke first expressed his sense of the desirability of exempting amounts paid on policies of insurance or deferred annuities from the amount of assessable incomes. That induces me to say that insurance companies and friendly societies are not sufficiently under control in this country to enable the Government to make such an exemption general, and the proposal of my honourable friend presents some difficulties in that way. Therefore, if any such exemption is made, I think that such exemptions should only be made in connection with well established societies or Government savings banks, or some arrangements under the Post Office. I have nothing to say on the general principle of the Bill, but I assent to the motion now before the Council.

Babu Peári Mohan Mukerjí.

The Honourable *Pedri Mohan Mukerjí* said:—"It is now three years, if not more, since the wholesome practice of submitting the annual Financial Statement to this honourable Council was discontinued in favour of the publication in the official Gazette of statements showing the actual receipts and disbursements of the year, and estimates for the coming year, in the shape of a Government resolution. Although this altered procedure has its advantages, and is likely to be adhered to in the present year and in future, I think it is very desirable, for many reasons, that there should be harmony between the rulers and the ruled in the determination of important questions relating to finance and taxation; and I think that the Government cannot but strengthen their hands by taking the public into confidence in such matters. I feel therefore deeply grateful to your Excellency and the Honourable the Financial Member for having, in introducing the present Bill, taken the opportunity to explain not only the present financial situation of the Government but also those political considerations which led your Excellency's Government to engage in a war with the late King of Upper Burma at a cost of 270,000 *l.*, and to embark in expensive military works and preparations for the defence of our north-western frontier. The cost of these military preparations is estimated at no less than two millions, and there is a further charge of nearly a million which has to be met next year owing to the apprehended fall of a penny in the value of silver. While, however, the honourable the Financial Member expects to meet the increased charge on account of exchange from the additional revenues from the export trade, railway receipts, opium and customs, and to provide 1,300,000 *l.* for military preparations from the existing resources of the Empire, there remains a deficit of 700,000 *l.* which your Excellency's Government have to confront. Considering that no large measures of economy in the administration of a vast empire can be matured and carried with a view to immediate effect, and that, by reason of the currency of Provincial contracts, only a narrow margin for retrenchment

retrenchment of expenditure is left to the Government of India, it would be idle to suggest that this deficit in the estimates for the coming year should be met by a reduction of expenditure. Nor do I think that Government should have recourse to a revision of either the salt duty or the import duties in this emergency. I am free to confess that the honourable the Finance Member has failed to satisfy me that the high duty levied on salt before 1882 placed an insufficient supply of the article within the means of the people. I venture to think that the reduction in the rate of duty has made no appreciable difference in the measure of consumption of the article by individuals, and that we must look to improved means of communication and to an ever increasing population of the country for an explanation of the large increase in the aggregate consumption of salt. But it appears to me, in spite of what the Honourable Mr. Steel has said, that no addition, however small, should be made by indirect taxation to the cost of living of a poor man who earns barely enough to make the two ends meet, while his rich neighbours bear much less than their fair share of the burden of taxation. In making therefore the observation that 'it is obvious that any honourable man who had to choose between taxing the most indigent classes, who already contribute a considerable share of the public burdens, and taxing those classes who, though in easier circumstances, scarcely contribute anything, it is to the latter alternative that he would resort,' your Excellency enunciated one of the soundest doctrines not only of fiscal administration but of morality and justice. I feel therefore no hesitation in saying that the principle of the present Bill is just and sound, and I trust that those who will be disposed to view it by the light of adverse criticism will bear in mind that it involves a measure of taxation which the Government feel the greatest reluctance to impose; that it is the outcome not of financial mismanagement but of a policy forced upon the Government by certain external events over which they had no control; and that it is a measure which is intended 'to maintain unendangered,' to borrow your Lordship's expressive language, 'the honour of the Queen-Empress and the safety and security of the Indian Empire and of the millions of hearths and homes it contains.' But while declaring with no uncertain voice that the present measure is necessary to meet the exigencies of the Empire, and that it is just and equitable in principle, I feel bound to entreat this Honourable Council not to look upon it as a perfect measure. The distinction it makes between public servants and servants of private firms and individuals, the liability it attaches to joint Hindu families, the provision it makes for the assessment of occupying owners of lands and houses which already bear a heavy burden of municipal tax or public cesses, and the opening it leaves for inquisitorial proceedings, are defects in it which I hope the Select Committee will be empowered to remove.

"A far graver question connected with the measure is the question of its duration. The honourable the Financial Member has told us that there is but one year to be tided over; and we know that, excepting in cases of extraordinary demands for increased expenditure, our revenues are enough to maintain at least an equipoise between income and expenditure. The honourable the Financial Member has expressed an apprehension that we know nothing of what increased expenditure may be in store for us, in respect, for example, of Burma. I find, however, from the Administration Report, that British Burma, after defraying her own expenses, has paid to the Indian Exchequer an aggregate surplus of 8,414,102*l.* in the last eight years, or a sum of more than one million a year. But, even supposing that the cost of administration of Upper Burma will introduce a complete change in the financial position of that country, that the men we call dakaits are really men fighting for their country, and that there is prospect of an infinity of troubles in the Chinese frontier, we rely on your Excellency's wisdom to consider whether in the true interests of the Indian taxpayer that remote country should not be separated from your Excellency's Government and made into a Crown colony. At any rate, I venture to express a hope that, as the increased expenditure which has made the present measure of taxation necessary is of a temporary character, as the Provincial arrangements now in force will expire at the end of the ensuing year, as matters in Burma are still unsettled, and as your Excellency contemplates appointing a Financial Commission to make a careful revision of our Imperial and Provincial expenditure, your Excellency will be pleased to put off the enactment of any permanent financial measure till the next year. With all its merits, the present measure

will leave the incidence of direct taxation in a state of great inequality. The poorest cultivator of the soil will pay a cess of more than 3 per cent. on his profits, while a certain class of persons in the enjoyment of an income of more than 1,000 rupees a year will pay no direct tax whatever to the Imperial Exchequer. It is, besides, a question worthy of further consideration whether one of the permanent sources of our revenue should be an income tax, which such a high authority as Sir Charles Trevelyan described as 'a potent but imperfect fiscal machine' that 'should be regarded as the great financial reserve of the country,' and which, Mr. Massey said, should never be resorted to except under emergent circumstances.

"The consideration of the Famine Insurance scheme was appropriately introduced by your Lordship and the honourable the Financial Member in connection with the present measure; but even at the risk of being reckoned one of 'the herd of such who think too little and who talk too much,' I must say that those who contend for the existence of a separate Famine Insurance Fund are far from being guilty of a 'wilful error.' Sir John Strachey expressly assured the public in 1877 that the proceeds of the new taxes then imposed 'will be expended for the purpose of providing what I have called an insurance against famine, and for no other purpose whatever.' Lord Lytton accentuated that assurance by saying 'we have pledged ourselves not to spend one rupee of the special resources thus created upon works of a different character'; and Her Majesty's Secretary of State for India, in laying the last Indian Budget before Parliament, is reported to have said: 'This year Sir A. Colvin proposed in his Budget to allot for the purposes of the Famine Insurance Relief Fund 33,000 *l.* under the head of direct famine relief; he proposed to take 287,000 *l.* from the Famine Insurance Fund for protective irrigation-works'; and, after some further remarks, his Lordship concluded by observing that 'it is perhaps more honest and straightforward to say that to all intents and purposes the famine insurance has been swallowed up by the peculiar demands of the year.' But, after what the honourable the Financial Member has said, the contention about this matter has reduced itself to a contention about words. We have been told that since 1st April 1878, a sum much larger than 1,500,000 *l.* per annum, the amount originally contemplated, has been spent for the purposes for which the fund was designed, an authoritative statement which should silence all complaint on this head, and convince the public that no pledge has been broken, and no trust betrayed, in connection with the Famine Insurance scheme."

Rao Saheb Vishvanath Narayan Mandlik.

The Honourable *Rao Saheb Vishvanath Narayan Mandlik* said:

"My Lord,—Having listened to what has been said before, I must confess that my work has become somewhat complicated, but what I propose to do is to vote for the Motion to send the Bill to the Select Committee, and to submit a few observations to the Council on some of the points touched on in the observations which your Lordship addressed to the Council last Monday, as well as what fell from the honourable the Financial Member. But before I do so I must say I agree with what fell from the honourable Mr. Quinton in reference to our position as regards this Bill. We have no Financial Statement technically before us, but the present Bill gives us the same opportunity for discussion as we should have had if both the Bill and the Statement had come together. I see the honourable Mr. Steel has introduced the question of export duties; I must ask the honourable Members to remember that that matter is not by any means so simple. I think that the subject of imports and the subject of exports are to a considerable extent relative questions. Sir Charles Trevelyan, in an address on Indian finance, delivered in 1870 in London before the East India Association, said as follows:

'Although Her Majesty's Government objected in 1865 to an export duty of 3 per cent. being levied on Indian coffee for the benefit of the Indian Exchequer, a duty of 45 per cent. is levied on this same coffee in England for the benefit of the English exchequer. This is neither just nor generous. The duty should at least be halved between the two exchequers, and the more so because great part of the coffee exported from India is sent direct to France and other foreign countries, and the Indian Treasury therefore misses any benefit from it. The same considerations apply to the tea exported from Northern India.'

"Sir

"Sir Charles had recently consulted the great economist, Mr. McCulloch, on this question, and his letter in support of the above views was read to fhe meeting.

"I proceed now with the subject in hand. Having listened to the clear exposition of Sir A. Colvin, I take the immediate question before us to be, How are 70,00,000 rupees (or 700,000 *l.* approximately speaking) to be raised? He proposes to do this by means of an Act which is a combination of a license tax (on incomes up to 2,000 rupees) and an income tax on those exceeding 2,000 rupees, the incomes in both cases being non-agricultural. I compliment the Financial Member on the distinct advance that has been made on this occasion by the entire exclusion of landed incomes. I will not follow him to those classic regions of financial perils to which he has felicitously alluded, and from which he has happily emerged. But there is, I see, an idea abroad, almost haunting a portion of the public, that the landed classes in India, who now contribute more than 21,876,047*l.* to the Imperial revenues, are still proper subjects of further taxation. To these persons I may (somewhat in the words of Mr. Chapman) address the following observations made in this Hall in 1871. In the Presidency of Bombay 'a succession of new taxes had been imposed during the past ten or twelve years. In addition to the income tax, we had had a cess of six and a quarter per cent. on all revenue; a quit-rent of considerable amount on lands previously held rent free; tolls and municipal taxes had been freely resorted to; salt excise had been greatly increased; and last, but not least, in many parts, the thirty years' settlements were falling in, and revised rates, involving an increase of some sixty per cent. on the land revenue were being imposed. The Local Fund receipts during the year 1869-70 amounted to 618,000 *l.*; while the municipal taxes realised 530,000 *l.* Allowing for a portion of the Local Funds being derived from jail manufactures, harbour fees, Native States, charitable endowments, and other sources that did not press directly on the country, he believed it would be found that the Presidency (of Bombay) contributed not far short of a million sterling over and above the Imperial revenue' I have not been able during the short time at my disposal to make out the figures for the last year; but the amount cannot be less. For all local improvement hitherto has meant increased taxation; and some improvements have been of a very doubtful kind. All these considerations lead me to the conclusion that the present step of the exclusion of incomes derived from sources other than agriculture is a decided advance in the right direction. There is yet one more consideration which also tends in the same direction, and that is, the non-resort to increased salt tax. Honourable members who speak in favour of this tax ought to remember what was said in 1870 in this Council about this tax. Besides in Western India, I speak of the Bombay Presidency, there was at one time (*i.e.*, prior to 1837) no salt excise at all. Afterwards eight annas a maund were imposed; then one rupee; one rupee thirteen annas three pies; two rupees, and three rupees. In 1882, it was reduced to two. It would be tedious to go through first principles on this occasion, except as a matter of sheer necessity; but I take leave to say that salt like grain ought to be practically free; or if that cannot be, that it ought at least to be taxed as lightly as possible. I cannot understand how any body at Madras can have gone up to Government with a proposal to raise the salt tax, which presses so hard on the masses that the poor have in very many cases been found living by scraping saltish earth, and in some cases have been actually prosecuted for so doing. I refer to the debates of 1865 and other publications in support of my arguments; and on their evidence and on my own experience of over 30 years, I hold that the present resolve of Government not to raise the salt tax is a correct and wise step in Indian finance.

"I have now, my Lord, to turn to import duties, a third item of taxation not in the Budget, but which, in my humble opinion, should have been there. In so saying, I do not propose to raise any question on this occasion in reference to the Bill now before us. But the subject is very important, and as such, it is one deserving of the earnest consideration of the Government of India. Sir A. Colvin says that 'the exemption from duty, in March 1878, by the Government of Lord Lytton, of certain descriptions of grey cotton goods made the abolition of the import duties on all cotton goods a question only of time.'

"It is not my object to unearth on this occasion the voluminous literature on this subject; but there is the evidence of a few facts and figures which it would be to the benefit of British India always to remember. In 1875, when the Indian Tariff Bill was being discussed in this Council, the Honourable Mr. Hope, after discussing the whole question, showed that 'the case for total abolition on the grounds on which it was claimed must inevitably fall to the ground.' He also said that Mr. Massey had remarked with truth that the Indian import duties were the lightest in the world. Not only was this statement then made, but Mr. Hope spoke of an excise duty which might thereafter be resorted to, and he warned the 'investors in Indian mills that they should bear this hint in mind; and thus forewarned, be precluded from charging the Government with breach of faith to them in the event of the imposition of an excise duty at any future date.' His Excelleney Lord Northbrook, in summing up on that occasion, explained that the Indian customs duties has never been regarded as protective; and after naming all the Finance Members from 1860 and downwards, said that 'in all financial questions the true interest of the people of India is the only consideration which the Government of India has to regard.' Such was the state of matters in 1875. What happened in 1878 is a matter of history, which will be found in a Parliamentary Return of 14th August 1879. I do not propose to enter into the Budget of 1882, which is the next point of departure from the Indian Tariff Act of 1875.

"I know the Resolutions of the House of Commons quoted in 1878 and afterwards; but the House of Commons, like the Government of India, will only ultimately decide the financial policy for India by all the considerations which are *just* alike to all interests; and now that the duties have been abolished the question to consider is,—Have they had the tendency which has been attributed to them? In addition to the remarks of the Tariff Committee, I beg to refer this Council to an excellent letter addressed to Lord Lytton in 1877 by Mr. Sorabjee Shapurji Bengali, then a member of the Legislative Council of his Excellency the Governor of Bombay, and one of our most experienced and enlightened merchants on the other side of India. He is a thorough free-trader, and the facts which he advances are therefore all the more valuable. This is what he says about our cotton-mill industry, as viewed in relation to the Indian tariff:—

'I am strongly of opinion that the best interests of the country require that this new industry or any other industry should thrive or fall on its own merits. I believe that it would be disadvantageous for India if the policy of its Government were directed to support industrial and commercial enterprises and encourage the employment of capital in them by means of protective tariffs, a policy which increases the cost of the articles thus protected to the general consumer, and therefore taxes the resources of the country for the benefit of the capitalist during the time the protection is permitted to last, and which results in the loss of capital and the creation of distress when the protection is removed. If it can be proved to be a fact that all or even a moderately large proportion of the thousand and one varieties of articles at present imported into India, and included in the comprehensive name—"Cotton goods," can also be produced in India for commercial purposes, that is to say, as cheaply as if manufactured in Lancashire, by means of European machinery, then the interests of this country require the immediate abolition of our import duties on cotton goods; for, otherwise, the Indian millowner could add to his legitimate profit nearly the full amount of the import duty and still undersell his English rival, so that the native buyer of cotton goods would pay the native manufacturer nearly 5 per cent. on the price of his bargain for nothing. Such, however, is not the fact. The cotton goods which India imports (with the exception of an insignificant fraction) are not of the same kind which her cotton mills can produce. Nor, years ago, even when there were no cotton mills established in this country, did India obtain her supply of coarse cotton manufactures, such as these mills produce, to a larger extent than 10 per cent. of the total imports of cotton goods from foreign countries. Her industry in the finer varieties of cotton goods has given way to cheaper importations from outside; but in the preparation of coarse goods for the great mass of her people, India possesses natural advantages in the home produced, home-spun cotton, which enable her to defy the world. The introduction of cotton spinning and weaving into the country by means of machinery is really then for the most part nothing more than the introduction of competition between machinery and the indigenous hand-spindle or the hand-loom, and also of competition between India on the one hand and Europe and America on the other in the supply of cheap coarse cotton goods to several Asiatic countries and parts of Africa. The cry, therefore, that since the establishment of factories in India for cotton manufactures, the retention

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tion of the customs import duties acts as a protective impost, rests on no better foundation, so far at least as nine-tenths of these duties are concerned, than a desire to obtain the admission of cotton goods of every variety into this country free of duty, whether protective or non-protective.'

"The same is the conclusion to which the Tariff Committee of the Government of India had come. As to the actual use of these articles by the different classes of the people, Mr. Sorabjee says as follows:—

'Moreover, foreign cotton goods imported into India partake of the additional recommendation of having in them something of the nature of articles of luxury. We import annually, in round figures, about 19 crores (say 19 millions sterling) worth of foreign cotton goods. The uninformed may be under the impression that by far the largest portion of this amount represents goods required by the mass of the Indian people for their every-day use. But this is not the case. Of these 19 crores worth of imports of cotton manufactures of all kinds, three crores consist of bleached goods, three crores of coloured, dyed and printed goods, two and a-half crores of yarns of all varieties, technically known as No. 40s., and upwards, suited for native looms in the preparation of fine cloths, three crores of superior descriptions of grey piece-goods, and 7½ crores of other grey cloths. The first four out of these five items give a sum total of 11½ crores of rupees, and any one acquainted with the trade and with the habits of the people will be able to inform your Lordship that the goods represented by this sum, with the addition of about one-half the quantity included in the last and remaining item, after undergoing the process of dyeing or printing in the country, are consumed by the higher and the middle classes of people for their daily requirements, and by the poorer classes as articles of occasional use not subject to every-day wear and tear. For their every-day use the mass of the people use very little of foreign manufactured goods. The product of native hand-looms from the cotton of the country has hitherto supplied the wants of the bulk of the population as regards cheap clothing. The competition of the cotton-mills of India is more with the indigenous hand-loom than with Manchester, which owing to want of cheapness, has always been unable, beyond an insignificant portion of its exports, to make a way for its coarse cloths into India.'

"Thus it is quite clear that the imports affect only the well-to-do classes, nearly all the cloth imported being used by them and not by the very poor. As regards the protective character of the duties, the question is further cleared by looking at our imports.

"What do we now find to be the actual evidence of exports and imports of these cotton goods? The table below will show this:—

IMPORTS and EXPORTS VALUE of MERCHANDIZE and of ENGLISH PIECE GOODS from 1866-67 to 1885-86.

YEARS.	Value of Imports (exclusive of Government Stores and of Treasure).		YEARS.	Value of Exports (exclusive of Treasure and Government Stores).	
	Total Value of Imports.	English Piece Goods Imported (Cotton).		Total Exports (Indian Produce).	Piece Goods, Indian (Cotton).
	Rs.	*Rs.*		*Rs.*	*Rs.*
1866-67 (11 months)	29,01,47,413	12,52,41,060	1866-67 (11 months)	40,77,39,592	59,51,059
1867-68 - - -	35,66,43,206	14,99,99,174	1867-68 - - -	49,59,66,646	67,20,163
1868-69 - - -	35,93,13,740	16,07,25,505	1868-69 - - -	51,67,62,321	57,25,792
1869-70 - - -	32,87,96,432	13,55,58,462	1869-70 - - -	50,67,95,443	23,85,260
1870-71 - - -	33,34,82,462	15,64,48,675	1870-71 - - -	53,55,16,812	25,42,369
1871-72 - - -	30,81,07,756	15,00,99,805	1871-72 - - -	61,69,72,262	27,21,590
1872-73 - - -	30,47,30,694	14,54,57,722	1872-73 - - -	53,44,91,833	30,50,033
1873-74 - - -	31,62,84,972	15,10,48,938	1873-74 - - -	53,11,44,275	38,49,371
1874-75 - - -	34,64,52,622	16,21,77,602	1874-75 - - -	54,50,10,909	35,38,217
1875-76 - - -	37,11,26,672	16,25,94,615	1875-76 - - -	56,21,22,438	39,19,860
1876-77 - - -	35,36,71,766	15,82,94,045	1876-77 - - -	58,93,00,693	43,37,477
1877-78 - - -	39,32,60,030	17,10,27,751	1877-78 - - -	63,14,35,332	44,22,857
1878-79 - - -	36,56,61,947	13,93,75,110	1878-79 - - -	58,70,79,285	47,93,389
1879-80 - - -	39,74,21,662	16,72,33,522	1879-80 - - -	64,95,08,331	48,58,994
1880-81 - - -	50,30,88,343	22,63,86,416	1880-81 - - -	71,97,40,678	58,50,443
1881-82 - - -	46,99,20,842	20,57,07,239	1881-82 - - -	79,25,52,431	59,98,600
1882-83 - - -	50,00,30,405	21,18,17,652	1882-83 - - -	80,59,81,554	72,93,868
1883-84 - - -	52,70,38,912	21,39,69,074	1883-84 - - -	85,08,57,205	89,56,600
1884-85 - - -	53,14,93,110	20,90,80,516	1884-85 - - -	80,31,32,079	86,92,894
1885-86 (8 months) -	33,24,01,787	13,11,73,364	1885-86 (8 months)	48,66,22,450	57,21,188

"Further, I beg to append a statement* in regard to piece-goods alone and yarn for 1880 to 1884, made out for me last week by a leading merchant in Bombay, from which it appears that the annual rate of increase in the import trade of piece-goods and yarns into Bombay, Calcutta, and Madras, continued uninterruptedly until the year 1880. For in the year 1873 the entire import for the three Presidencies was 1,071,685,753 yards of goods and 28,778,179 lbs. of yarn, while in the year 1880 it was 1,612,700,000 yards of goods and 41,750,000 lbs. of yarn, thus showing that from 1849 to 1880 there has been a continued increase in the imports. It was from March 1882 that the import-duties upon goods and yarns was altogether removed, and instead of the import increasing, as we may naturally expect if the protection theory were correct, they have remained stationary except in the case of Madras, where a slight increase is perceptible; but taking the total of all the three Presidencies for each year the imports fall short of what they were in 1880; and that, too, in spite of the enormous increase in railway communication throughout India and the large increase in its population. Besides, it will be observed that the rates ruling for piece-goods and yarns in 1880 were higher than they were in 1884, showing thereby that the consumption of foreign goods in India did not increase by removal of the duty. It ought, at the same time, to be noticed that the consumption of local spinnings and manufactures did not also increase during the same period, and were it not for the unexpected and large offtake of the local mills' yarn for China the serious losses suffered by the local mills, with rare exceptions, during the last five years, would have made the position of mill industry very unsound. It thus follows that the removal of duty has only deprived India of a legitimate source of revenue, while it has not secured the objects for which the sacrifice was apparently made.

"The

* STATEMENT of Imports of Piece Goods (grey, bleached, coloured, and printed) and of Yarns (grey and dyed) into Bombay, Calcutta, and Madras, from the Year 1880 to 1884, both inclusive.

	1880.	1881.	1882.	1883.	1884.
PIECE-GOODS.					
Calcutta:					
Grey	705,200,000	701,200,000	653,000,000	615,300,000	667,000,000
Bleached	150,000,000	155,100,000	117,000,000	161,400,000	129,000,000
Coloured	80,400,000	62,300,000	78,000,000	61,800,000	70,500,000
Printed	75,200,000	38,800,000	35,500,000	41,800,000	31,800,000
TOTAL	1,010,800,000	957,400,000	883,500,000	880,300,000	898,300,000
Bombay:					
Grey	323,000,000	330,700,000	300,000,000	290,000,000	307,500,000
Bleached	99,500,000	120,200,000	83,200,000	138,500,000	103,600,000
Coloured	49,000,000	41,900,000	47,200,000	52,600,000	67,500,000
Printed	61,500,000	52,300,000	70,100,000	90,200,000	90,000,000
TOTAL	533,000,000	545,100,000	500,500,000	571,300,000	568,600,000
Madras:					
Grey	40,000,000	47,400,000	59,400,000	58,700,000	67,400,000
Bleached	8,100,000	13,300,000	15,500,000	23,700,000	16,200,000
Coloured	9,600,000	10,200,000	11,200,000	11,300,000	20,900,000
Printed	11,200,000	11,400,000	20,200,000	14,000,000	16,400,000
TOTAL	68,900,000	82,300,000	106,300,000	107,700,000	120,900,000
GRAND TOTAL	1,612,700,000	1,584,800,000	1,490,300,000	1,559,300,000	1,587,800,000
YARNS.					
Calcutta:					
Grey	8,600,000	8,047,000	9,450,000	8,310,600	8,570,000
Dyed	8,000,000	5,553,000	5,330,000	5,450,000	6,740,000
TOTAL	16,600,000	13,600,000	14,780,000	13,760,000	15,310,000
Bombay:					
Grey	7,700,000	8,500,000	7,743,000	10,000,000	8,000,000
Dyed	5,350,000	3,822,000	4,275,000	6,100,000	6,300,000
TOTAL	13,050,000	12,322,000	12,018,000	16,100,000	14,300,000
Madras:					
Grey	8,000,000	8,300,000	10,600,000	7,200,000	9,700,000
Dyed	4,100,000	2,800,000	2,374,000	3,800,000	3,300,000
TOTAL	12,100,000	11,100,000	12,974,000	11,000,000	13,000,000
GRAND TOTAL	41,750,000	37,022,000	39,772,000	40,860,000	42,610,000

"The true end of all taxation, whether direct or indirect, is, I take it, purely fiscal, and duty should be imposed for revenue purposes only. Articles of luxury are taxed in all civilized countries for revenue purposes, while all other articles save raw materials are lightly taxed. The import duty on piece-goods, if levied to meet the present wants, would not amount to even half an anna a head. Thus the average annual imports of merchandise into India for the last three years ending March 1885 average about 53 crores rupees, and if a duty of $1\frac{1}{4}$ per cent. only was levied on this import it would yield 66 lakhs of rupees to Government, which would be at a rate under half an anna per head on the present population of 25 crores, if it fell on the masses; but I submit this does not; it is chiefly paid, as Mr. Sorabjee Bengali has shown, by the higher classes. Besides, this is a tax which will reach the population of Native States, who receive the benefits of the British rule as we do without contributing anything towards its expenses. This item of indirect taxation is a better way of raising revenue for Imperial purposes than direct taxation like the income tax, which, in India particularly, is obnoxious to the people. A protective duty is indeed injurious to free trade, but from the statements of imports it will be apparent that the import duty in India was not protective before, and cannot even now subserve such a purpose for many obvious reasons. It was levied to enable the Government to carry on the machinery of the administration. It was paid without demur, and at the least possible expense in collection as compared with any other mode of taxation. If England, which lays down broad principles of free trade and insists upon their being observed by India, imposes exorbitant duties on foreign goods for revenue purposes whenever necessary, why should not India, under similar circumstances, be permitted to do the same, and particularly when the tax is merely a nominal one, and yet affords a good help to the revenue; and when, as Mr. Sorabjee Bengali has distinctly proved, it does not touch the poor, and chiefly falls on the well-to-do classes?

"In the face of these facts I am sorry this tax was not availed of, as recommended by the Madras Chamber of Commerce; and I cannot understand the recommendation to extend the operation of the license tax in the form of an income tax. If it were a mere license tax it would be open to the same objections as the existing tax; but this is something more. It is an income tax in the case of all whose incomes are above 2,000 rupees. The history of this tax has been so often repeated in this Council that I will not now enter into it. All I have to say is, that it is still open to the remarks which have been submitted in this Council by Messrs. Inglis, Robinson, Cockerell, and others on the evidence before them; and I can only hope that such a tax will only be resorted to on occasions of the greatest urgency and necessity. The difficulties of working such a tax (as I might safely say also from my own little experience in working it) are very great; and I shall only add my humble voice to those that have gone before me in imploring the Government not to insert it hereafter in their Budget as an ordinary source of revenue. It presses hard on the honest, and its effects are demoralising.

"There is one more subject on which I have to say a few words before I conclude.

"Your Lordship made an appeal to the individual Members of this Council, which (speaking for myself) was hardly necessary under the circumstances in which it was made. When the subject of a pure license tax was discussed in 1878 in Bombay I voted against it on the ground of its one-sidedness. That feature is absent on this occasion; but the symmetry of the Act is marred by the higher classes being put under an income tax instead of a license tax.

"I think, however, we shall all rejoice at the removal of all grounds for imposing such a tax, which I expect from the searching inquiry into expenditure which your Lordship's Government have now resolved upon. I have not been able, within the short time at my disposal, to lay my hands upon all the details which would be necessary to speak authoritatively on this question in detail; but there are several departments in which very large saving has long been overdue. In my own presidency the Revenue Survey Department had or ought to have finished its work long ago, and yet from the returns it appears that that department is still of the same strength financially as it was 10 years ago. When I remember what Mountstuart Elphinstone said of this department in

1820, I am grieved to see the unnecessary extension of its life and action in those districts where its work has been once completed. The new Forest Department is a young department in its origin; but it has now been working almost like the old Inám Commission. I see a Commission appointed to inquire into it in Bombay; but, looking to the evidence that is being taken, it has scarcely touched the surface. Whether it will go beneath, and help to secure an efficient administration without any unnecessary annoyance to the people, remains to be seen. Again, on the basis, or rather the remains, of our Survey Department threatens to come in the Agricultural Department, the total expenditure of which has risen from 2,45,480 rupees in 1870-71 to 8,05,718 rupees in 1884-85; and when I closely look into the items constituting this expenditure, and as a landholder and a practical agriculturist cast my eyes at our agriculture, I must confess that I view upon the outlay on this department as utterly disproportionate to the results expected to be achieved. For better or worse, India is not a country for large farms and the employment of expensive machinery. As a cultivator of land I always seek and utilise such information as I can get; but I cannot view with favour such expenditure as is now increasing day by day in this department. Other small but proportionately costly departments will also be required to be pruned down. Above all, there is one great department about which successive Finance Ministers (including the present) have complained year after year, and without a better regulation of which all other reforms, as it seems to me, will be comparatively valueless, and upon which the Government must begin to work; and that is the Military Department and its expenditure, without affecting the efficiency of our military forces. The question of the Staff Corps organised in 1861, and the lakhs of rupees it annually adds to our liability, was first publicly mooted, if I remember rightly, by Sir Charles Trevelyan, in 1870, in London. Sir Charles said that promotion was given to officers in the Staff Corps according to mere length of service without reference to any fixed establishment. What was the result? Here are his words:—

'The consequence of this is, that the qualification for the highest rank and the highest rate of pension is simply absolute length of service, without regard either to the public wants or to the relative claims of other officers; and everybody is certain to arrive at the highest rank, and to be entitled to the highest rate of pension, if he holds on during the prescribed term of years. The tune is, "We are all growing old together." There will soon be an army of field officers with very few subalterns, and such a retiring list, all at the highest rate of pension, as the world has never seen.

'This, of course, is no mere opinion of mine. In the discussion on the income tax in the Council of the Governor General, in April last, Sir William Mansfield, the Commander in Chief, said, "There is one more point to which I would invite the attention of the Council, that being the growth of non-effective establishments. I need not advert to the statement of General Hannyngton and Colonel Broome beyond uttering the remark that, while those distinguished authorities differ in detail, they are agreed in presenting a picture of future liability which is positively alarming. In short, we are threatened with the serious danger of all our economies in India in the combative force being eventually greatly *more than swallowed up* in the growth of the non-effective expenditure. Under such circumstances a further greater danger might be forced on by public outcry, involving perilous reductions, to meet non-effective charges." These statements will be found in the Parliamentary Paper, "East India Staff Corps," No. 140, of 1869.

'The Controller General of Military Expenditure sums up as follows: "Military history presents no instance of an army so constituted, or of one so costly. But, unsatisfactory as is the present financial condition of the Indian army, the future prospect is far worse."

"This was said before 1871, only 10 years after the formation of the Indian Staff Corps. In 1878-79 it appears there were 1,961 officers in the three staff corps, while they were only 245 army appointments which could be held by officers below the rank of colonel.

"Sir A. Colvin himself has complained of certain army expenditure; and we do not yet know what practical benefits we may expect from the Commission which sat at Simla in 1879. Successive Finance Ministers have dwelt upon the heavy expenses in connection with the British army in India. Now that we have got railways all over the country, and the whole continent is enjoying profound peace, Her Majesty's Government ought to help the Government of India in a material way in reducing this expenditure, and if that is done, with the natural increase of our revenues, the Government of India will be able not only to pay its way but will have no occasion to resort to such unusual taxation.

"As

" As regards the Bill itself, there are a few questions which will require serious consideration.

" First, in regard to taxing house property. In cities such as Bombay, Calcutta, and the like, and in large municipal towns where houses are valued for municipal purposes, I see no difficulty; but to introduce taxation of house property into the Mufassal generally, into villages whether large or small, is a step full of peril and difficulty. There are no standards for valuation there. In thousands of places there is hardly any letting value; and in such cases I see all the dangers of inquisitorial proceedings and arbitrary assessments, and consequent annoyance, which has been so correctly and graphically described in this Council more than once, and to which I fully subscribe. I hope and trust, therefore, that such assessments may be limited to towns and cities, as I have suggested.

" Another question is the taxation of the Government securities. I beg that the propriety of this may be reconsidered, as it is a matter which affects public credit.

" Yet another question remains; and it is the question of secrecy in regard to income tax assessments. This is not provided for in this Bill, although it used to be so in the former Acts. All officers, so far as I know, were sworn to secrecy under the law; and so I think they should be. This is a matter on which the Native mercantile community has always laid great stress. The feeling on the subject is very strong, as it is one which touches their mercantile credit and honour, and I hope the question will be attended to when the Bill goes to the Select Committee."

The Lieut. Governor of Bengal.

His Honour the Lieutenant Governor of Bengal (Sir *A. Rivers Thompson*) said: " I think I may congratulate the honourable the Financial Member on the fact of the general unanimity with which the necessity for the proposed impost has been acknowledged, and that the anticipations which he had formed of hostility to his proposals, by the revival of that kind of argument which had already been frequently exploded, have not been fulfilled. No one, I take it, is glad of being subjected to increased taxation; but the speeches of those who have preceded me indicate that, whether the opinions came from officials or non-officials, Europeans or Natives, the measure which the honourable Member has put before us is accepted as a necessity. I also feel some satisfaction that there has been an expression of sympathy towards those of my own service, who are specially affected by this new charge on their incomes. Though there is a fashion now-a-days of urging that the members of the Civil Service in India are too highly paid, I venture to assert that, with very rare exceptions, there is no member of the service throughout India who does not deserve every rupee of the salary he receives; and I may safely say this not only of the European members of the service, but of those in the subordinate executive and in the subordinate judicial services. The entire service is a loyal one, and I am sure it will accept, in the presence of the gravity of the situation, which has been explained by your Excellency on the opening of this discussion, the necessity of the taxation to which the Government has to resort. The only regret, to my mind, and I cannot hesitate to give expression to it, is the fact that the work of defence, which five years ago might have been carried out with comparative ease and leisure and economy, has to be undertaken now under some feeling of pressure, in the presence of a possible aggression and at a considerably enhanced cost. The first duty which the Government of India, as the ruling power, owes to the people of this country is, to protect its frontier against foreign attack; and, whatever the personal consequences may be to each and all of us, I am sure every loyal subject will be ready to support proposals which in a grave emergency the Government of India considers necessary for the defence of the Empire.

" I must add, in connection with the measure which is immediately before us, that the remarks which have fallen from my honourable friend, Mr. Evans, as to the difficulty of working any form of direct taxation deserve consideration. We have experienced that difficulty in every previous application of this tax, whether in the shape of an income tax, a license tax, a certificate tax, or any modification of them. But the difficulty as regards the assessment and realisation of the tax has hitherto been greatly enhanced by the consideration that they were regarded as temporary measures. If, however, direct taxation is to form a permanent part of the fiscal system of India, then, no doubt,

although the same trouble may again arise on its first introduction, the difficulties will gradually diminish and eventually disappear.

"An honourable Member has referred to the repugnance which is felt to this tax on the ground that it is not suitable to ordinary times, and should be reserved for exceptional occasions. But the eminent authorities whom he quotes as having acted on that view, such as Mr. Massey, Mr. Inglis, and others, spoke at a time when indirect taxation prevailed throughout the country. Indirect taxation has, however, now almost entirely disappeared, and with its disappearance some form of direct taxation is regarded as necessary to bring under its incidence those who have heretofore escaped all taxation. It is not, however, on the particular Bill before the Council that I would wish to express any detailed remarks, but rather upon the remarks which fell from both your Excellency and the honourable the Financial Member on the revision during this year of the provincial contracts. The powers and responsibilities of the Local Governments in financial matters were first determined in 1871-72. That was done under the administration of Lord Mayo, aided by Sir John Strachey. Perhaps there was no measure which added so much to the fame of Lord Mayo's administration, and which was so favourably received by both Europeans and Natives, as this matter of financial decentralisation; and certainly no measure has conferred greater benefits on India. Under the system which prevailed before its introduction certain allotments were annually made to each Local Government to cover the expenses which it had to incur in its administration. Any new charge, whether for a school, a dispensary, a road, or any other object, could not be undertaken except with special sanction obtained after a reference to the Government of India. The result was, that every Local Government scrambled to get as much as it could out of the resources which were available; and it generally happened not only that those who clamoured loudest and whose province contributed the least to the Imperial revenues got the most, but that those who, for instance, like Bengal and Burma, contributed most to the resources of the Government of India got the least. It was, therefore, a very beneficial reform which introduced the system of financial decentralisation, and no province has benefited more by it than Bengal. The services which were made over to Local Governments in 1870-71 were not of a paying nature. It was thought, possibly, at the introduction of the scheme that it should, in the first instance, be of a tentative character, and therefore the departments which were surrendered were those of Education, Jails, and other similar departments, from which no ingenuity or ability in administration could possibly expect to secure any return. An advance, however, was made under a more extended system in the time of Lord Lytton's Government, again with the assistance of Sir John Strachey; and Sir Ashley Eden commenced his administration in 1878 with a much wider decentralisation, which included such improvable departments as Excise and Stamps, the development of whose growth he was allowed to enjoy. We may be sure that he made the most of his opportunities. The financial condition of the province began at once to improve, as may be judged from a paragraph of the Resolution which recorded the results of the working of the system, about the time of his laying down his authority as Lieutenant Governor of Bengal. He then said:—

'That the system of decentralisation has been thoroughly successful in Bengal is sufficiently clear from the foregoing sketch. The revenues have rapidly increased, independently of new taxation; useless expenditure has been curtailed; and funds have been made available for improvement under all branches of the administration. All grades of the service have shown the deepest interest in increasing the resources of Government, under the belief that the surplus revenue would be available for the good of the province. The three heads of improvable revenue made over to the management of the Provincial Government, with an income of 165½ lakhs, in 1876-77, will stand with an income of not less than 217¼ lakhs in 1881-82.'

"That was an eminently satisfactory result. I believe, when the revision of the contract took place at the close of Sir Ashley Eden's administration, there was a good deal of correspondence on financial matters between the Government of India and the Local Government. I think it is a misfortune that the revision of the contract always takes place in the expiring year of a Lieutenant Governor's rule. Though I have no doubt Sir Ashley Eden pressed the matter with considerable force in 1882, we must also remember that he was just then about to retire; and it might be expected that with this prospect he would

would be less forward in the defence of the position than he would have been if his tenure of office had continued. When the revision took place in 1882, the Government of India claimed a large share of the increments which had accrued under Sir Ashley Eden's administration. Without going into details I think I am correct in saying that they claimed the appropriation of some 28 lakhs of rupees, and thus a new start was made with that advantage on the side of the Government of India. It was thought at the time that those were rather hard terms, and it was pressed upon the attention of the Government of India, that, in the matter of the excise-revenue under the out-still system, a re-action would certainly occur, and that both on moral grounds, having regard to the increased facilities for drinking, and on financial grounds, measures would have to be taken which would result in restricting the rapid growth of the revenue. And that has taken place in the course of the four years during which I have been at the head of the Bengal administration. The details of the new contract in every branch will have to be discussed in the course of the current year. This is not the time nor the place for the consideration of details, but I wish to enforce the point that the relentless and ruthless attenuation of the provincial revenues is certainly the worst policy which the Government of India can adopt. Whatever advance or increase has taken place (about 12 to 14 lakhs) under the present contract, owing, I may venture to hope, partly to efficient administration and partly to the elasticity in the sources of revenue, it should be remembered that the demands which have to be met by the Government of Bengal are extremely heavy, not only in the present but prospectively, and further that many of these charges which have fallen on Bengal during the last four or five years are charges which have not been voluntarily undertaken by the Government of Bengal, but have been imposed upon it by the Government of India. For instance, the question of police charges, not being properly bearable by municipalities, is one which in principle I most thoroughly accept. Those who pay should be those who control. Before the municipalities paid the police, but the Government controlled it; and therefore the point was very rightly pressed that throughout all Mufassal districts we should take the earliest opportunity of relieving municipalities of that liability. Primary education, again, has involved increased expenditure. The Government of India lately issued a Commission under the direction of the Honourable Mr. Hunter, and that Commission justified its appointment and also did a great deal of good in calling attention to the necessity of large increases of expenditure upon education. A great portion of this devolves upon Bengal. I cannot but look at their recommendations as a distant ideal to be some day attained, but as at present altogether beyond the power of Government. The Government of Bengal has had within the last few years to accept the charge of 5,11,000 rupees a year for the relief of municipalities in the interior; of 1,50,000 rupees for extension of primary instruction; of 1,35,000 rupees for the additional judges to the High Court of Calcutta. So far as regards the past. The prospective additional charges are also most serious. The question, for instance, of the payment of the police in the Calcutta Municipality as well as in the suburbs and in Howrah is urgently pressed upon my consideration, and is only stayed by the want of means. Thus the old principle still remains in full force in Calcutta. The Municipality of Calcutta has been called upon to make extensive sanitary improvements which all recognise to be extremely desirable; but the answer to all pressure of the kind is—'We have not sufficient funds.' For my own part I should be glad to be able to place at their credit the sum they now have to pay towards the maintenance of police, which amounts to no less a sum than 2,80,000 rupees a year. But it is totally out of the question that the Government of Bengal in its present financial condition should be able to give up not less than 2,80,000 rupees for relieving the municipality of this burden; and I would suggest to the Honourable the Finance Member that as Calcutta is the capital of the Empire, and the residence of the Governor General for some months in the year, and as the Government of India strongly insist on the prosecution of sanitary improvements in Calcutta, they should bear in mind the necessity of specially assisting the Local Government in giving effect to this urgent reform and thus help the suppression of preventible disease. I would also refer to the fact that in the administration of railways in this province the independance of the Local Government is very small. We are answerable for a great deal, but have little independent authority to deal with

the position. We have now to pay something like 6 lakhs interest a year on the capital advanced by the Government of India for construction. The procedure is that when a Local Government recommends a line of railway, and has submitted reports and statistics in furtherance of the project, the Government of India on approving the scheme advances the capital for its construction, on the condition that the Local Government will pay 4 per cent. interest upon the capital from the date of the advance. The understanding also is that when the line is completed the Local Government shall benefit by whatever returns the successful administration of the railway may bring in. It is of pressing importance therefore to the Local Government that the line should be completed as soon as possible. The position, however, is that the advances are now given in such small amounts that the completion of the railway is indefinitely postponed. If, for instance, a railway is to cost 50 lakhs, the Government advances 10 lakhs to begin with, next year it advances three lakhs and the third year one lakh, with an intimation that no more money will be forthcoming for some time. We have to pay interest on these advances from the dates they are made, but without any possibility of return while the line is unfinished, and all the time have to maintain a costly establishment. Such a system is on the face of it indefensible, and imposes a heavy burden upon the Provincial revenues.

"In the direct administration of the country I can appeal to the Honourable Bábú Peári Mohan Mukerjí, who is one amongst many others who are always pressing for larger expenditure on roads and communications. Every railway which is completed requires the making of roads and communications as feeders to it. When the road-cess was introduced in Sir William Grey's time no one opposed it more strongly than the zamíndárs of Bengal; they said it would ruin them to have to pay the cess. I remember that the argument was used at the time that no class would benefit more by the proposal than the zamíndárs; and the result has proved that with the funds thus raised the local committees have been able to construct a large length of roads and communications in every district, which are of immense advantage to landed proprietors. But the position now is that whereas at the outset the proceeds of the cess were available for construction of roads and bridges, the same proceeds are only now sufficient for maintaining and keeping in repair the finished lines; and if additional new works are required (as they indubitably are), petitions pour in upon Government to supply the means for their construction. That, however, is out of the question in present circumstances, and I must point out to those who clamour for such aid that the only resource which is possible is to raise the rate of the cess. In the discussion which took place on the re-distribution of allotments in 1882, I think my honourable friend Mr. Hope suggested that, if the resources which were then made available to Bengal were insufficient, there was always the alternative open to them of local taxation. I believe I am right in saying that my predecessor, Sir Ashley Eden, repudiated that idea altogether. He said, as I think rightly, that, if there was no general taxation undertaken for the whole of India, he should be very loth to apply any form of special taxation to the territories under his control. He did not wish to incur the odium of introducing any such taxation, and besides no scheme for its imposition could ever be adopted without the sanction of the Government of India. But there are also other reasons against such a policy commending itself to a Local Government. The honourable Mr. Steel in his speech quoted in another connection the saying that 'a strong man armed keepeth his palace.' However strongly a Local Governor may keep his possessions, there would always be the fear that a stronger than he might come and despoil him of the fruit of his labours. We have always to bear in mind that however successful administration may be, and just in proportion to its success, there is always a stronger power behind which claims a share of our accumulations and increments. I don't speak now on the subject of economy, though I shall be ready to assist any Commission which your Excellency may appoint for that purpose, because I despair of any possible retrenchments in Bengal. At a small station which I was visiting the other day, where formerly one officer sufficed for the disposal of the civil judicial work, I found there were now four officers: these four native officers were housed in an office which was originally intended for a single Munsif. That is only one illustration of what is going on all over Bengal, and in presence of this difficulty the High Court very

very naturally demand a much larger expenditure upon public buildings. During the last year the High Court deputed one of the Judges to inspect the working of the Courts subordinate to it throughout the province, and as the result of these inquiries they press upon me with all the authority of the High Court that a very large addition of establishment is necessary if the Judges are to be placed in a position of equality with the position occupied by the executive officers of the province.

"I have made these remarks on this occasion with the hope that when the consideration of the local contract comes in the course of this year under the revision of my honourable friend Sir Auckland Colvin, and I am afraid from his looks that I have failed to excite his commiseration, my honourable friend and the Government of India will bear in mind how very essential it is to maintain and extend that policy which Sir John Strachey under Lord Mayo's Government first introduced and afterwards enlarged. A policy of expansion, and not of restriction, has followed each revision of the quinquennial contract; and to quote the words which he has recorded on this subject—

'It is hardly necessary to point out how little such a restrictive policy finds any justification either in the present state of the finances, or in the actual results of the different course that was till lately followed in this matter; how manifestly it stands in the way of the reasonable development of provincial administration and financial responsibility, on which the future progress of India essentially depends.'

"I commend these remarks to the favourable consideration of my honourable friend. I hope that, when he comes to review our position during the currency of the present year, he will remember that we have great demands upon us, and that our present resources are inadequate to meet those demands. I should add also that I have no personal interest in this matter, and that before any new contract can come into operation I shall have resigned the office of Lieutenant-Governor of Bengal. What I have urged therefore is in the interests of my successor and of the circumstances and condition of this great province.

Sir A. Colvin. The Honourable Sir *A. Colvin* said:—"I have heard with the greatest satisfaction the assurances of support which have been given to us both on his own behalf, and on behalf of that body which he so ably represents, by the honourable Mr. Steel. I need not say that it very materially strengthens our hands to know that the measures which we have been called on to undertake commend themselves to the judgment of that great and important section of our community to which my honourable friend belongs. For my own part I have never had the slightest doubt that any measure which it was my duty to bring before them, and which was based upon equity, sound finance and reasonableness, was sure to obtain from the mercantile community of Calcutta, however disagreeable the consequences it might entail, a ready and respectful hearing, and for myself their ungrudging support. When I spoke of the shrinking from burdens to which my honourable friend has alluded, it was of the former debates on the subject of the income tax of which I was thinking, and of occasional expressions of opinions which I have recently come across in the press. To my honourable friend, as to those on whose behalf he speaks, I have only to express my unmixed gratification at finding that our judgment is confirmed by theirs, and that the whole of our community is ranged under the same banner, with the same undivided end and for the common good of the country.

"My honourable friend, I observe, is an optimist. He sees great benefit to this country from a depreciated standard. He thinks that, though persons with fixed salaries may suffer, the country as a whole is benefited, and that even the Government may be reassured. He points to the increased exports as the main proof of his thesis, to the greater facilities for placing Indian produce on the market which are afforded by the present state of our currency, and to the increase in the revenues which may be expected to arise from the greater general prosperity. Now, this is a very large and an extremely difficult subject, which I cannot at present hope adequately to discuss; but I may point out two considerations which I think are difficult to reconcile with the optimist views entertained by my honourable colleague. I should like very much to think that with so much happiness going some of it may come my way; but it seems to me a very questionable position to assume that the great increase to our exports is mainly due to the low rate of exchange. I believe that is more owing

to the extension of our railways, to the lowering of freight, to the reduction of railway charges, and to the growing facilities given by the Suez Canal, than to the depreciation of our currency; and I cannot, therefore, think that the expansion of our prosperity will be proportionate to the depreciation of our standard. If silver has fallen 8 per cent. since 1880, freights have fallen far more. Railways have extended; railway charges have been lessened. On 7th December 1880, canal freights in Calcutta were from 2 *l.* 16 *s.* 3 *d.* to 2 *l.* 18 *s.* 9 *d.* per ton; on 14th December 1885 they were from 1 *l.* 7 *s.* 6 *d.* to 1 *l.* 10 *s.* per ton, a fall of 50 per cent. There were on 31st December 1876 6,833 miles of railway open in India; on 31st December 1880 there were 9,310 miles; on 31st December 1885 there were 12,285 miles. I cannot, therefore, bring myself to believe that exchange is the sole, or the most important, factor in the extension of our export trade which has of late years attracted so much attention. In the second place I would ask my honourable friend to remember that if our export and import trade has shown great vitality since the fall in our currency, we have, on the other hand, to maintain somewhat about five crores of rupees annually on our revenue estimates, which, since the relative value of silver and gold began to change, have to be locked up and kept from circulation, in order to enable us to meet the extra burden imposed on us in connection with our home charges. My honourable friend, I regret to see, is among the prophets. I regret it because I think that prophecy is a risky and speculative line of business, unsuited to commercial aptitudes. He has told us that it will take the rupee 10 years to fall to 1 *s.* 2 *d.* I cannot meet him on this ground; I know nothing certain of the future; I think I can see a serious omission in his calculation when he bases the silver production of the next 10 years on the limits of the silver production of to-day; and I cannot shut my eyes to the fact that in the last year alone silver has fallen to the extent of what he looks upon as its future normal fall in three years. But even at the present rate of 1 *s.* 6 *d.* we shall have withdrawn at the end of those 10 years, on the figures I have above given, 50 crores of rupees from the pockets of the people; and I do not see where any adequate compensating advantage is to come to them. I cannot dwell further on these intricate points at present; but when I am told that a currency the value of which relatively to gold is what ours has now become will be the source, alike to Government and to the people, of unmixed prosperity, I cannot but hesitate to accept these glad tidings of great joy, and to inquire whether other causes have not been at work to which in great part the improvement of our revenues may be assigned. I am aware that I have no right, and I certainly have no desire, to speak authoritatively or with exceptional experience on one of the most difficult questions to handle which has ever occupied the attention of Governments and economists; I have no wish to say 'I am Sir Oracle—let no dog bark;' but I would venture, if I may, to deprecate the adding another optimist view to a question on which, if not in India, at least in England, there are too many optimist views already. As the question is not one which enters into the practical scope of our discussion to-day, with the assurance that it is at the present moment engaging the most anxious, the most earnest, and the most unremitting attention of the Government, I may turn to the next point in my honourable friend's remarks which calls for notice from me. He has expressed a wish to see the export duties on rice abolished. That wish, I may freely admit, I share; I admit also the cogency of much of my honourable friend's reasoning; but I take two objections, which must practically be allowed to carry great weight, however much we may desire the removal of these duties. In the first place, as I do not share his hopeful views of that surplus which he dangles before my troubled eyes, I cannot bring myself to recommend, in our present circumstances, the striking off the potential estimates or the absorption as a source of revenue of the round sum of 700,000 *l.* In the next, I cannot but think that so long as our duty does not unfairly weight our rice in its competition with the rice of other countries (and I do not understand that this is urged upon me), the argument against it is incomplete. I do not deny, in other words, the force of the arguments in favour of abolishing the duty, but I think that the duty is not of a nature so objectionable and so opposed to good economical doctrine as to justify our abolishing it at a time when our revenues are in my judgment, and with due deference to my honourable friend, in a very critical state.

" In respect of borrowing in England, it will not have escaped my honourable friend's

friend's attention that we are in point of fact at the present time so doing; and if for local bodies we propose to borrow in the local market, it must be borne in mind that the extraordinary state of the silver market, the reports which reach us of the silver yield in Australian mines, the unsettled policy of the American Government, and the utter uncertainty which hangs round the future of silver, may well cause doubt as to whether, in spite of the comforting assurances of my honourable friend, we are so safe on the sunny side of 1 *s.* 2 *d.* as he himself would have us believe.

" It has been a pleasant surprise to me to find that the proposed tax has met with so little opposition on the part of this Council, and especially that my friends Mr. Peári Mohan and Mr. Mandlik, find themselves in a position to support us. We have, indeed, been told, as I anticipated, that an income-tax is objectionable because it is inquisitorial and because it is unsuited to the genius of the Indian people; but the case against the tax has been put very moderately. Now, with regard to this matter of the inquisitorial nature of direct taxation in India of which we are constantly reminded. It is not in regard to India only, I may remind this Council, that objections have been urged in respect of inquisition. Students of text books on this subject are familiar with the fact that for many years after the introduction of an income tax into England this particular objection was to them of constant recurrence. But time has there worn down, if it has not entirely effaced, the edge of this class of objection. And what time has done elsewhere time may be trusted to do here. In point of fact, as your Lordship said last Monday, the operation of the license tax during the last eight years has been of no small assistance in the matter. We are far removed from the day, which I myself can well remember, when the first introduction of direct taxation sent a tremor throughout the Peninsula. All have learnt and all have profited by the experience of a quarter of a century. We, on the one hand, have found that we must avoid as much as may be the multiplication of returns, and a variety of other points, which were in their nature vexatious, and which were not essential to the operation of the tax; the classes liable to assessment, on the other hand, have learned and are still learning that with a little honesty, a little punctuality, and a free recourse to the regular remedies open to them, they can escape the ills which they the more dreaded, because they were ills they wotted not of. My honourable friends, Mr. Evans and Mr. Peári Mohan, have warned us that the tax is one which in its working will cause much difficulty, and that it will give rise to considerable practical injustice. We have been told that every effort will be made to evade its just incidence. There is a well-known legal maxim with which my honourable friend, Mr. Evans, is no doubt familiar, to the effect that a man cannot profit by his own fraud; and if I am told that an important section of the community must be exempted from direct taxation because it is constitutionally fraudulent, I must fall back upon that legal maxim. If I am to be assured that the trading and commercial class in India should not be assessed to direct taxation because they cannot deal honestly with the Government, I must reply that that is a plea which to my mind is wholly inadmissible. But I do not resort to such a reply, because I am convinced that the imputation is unwarranted. I do not believe that the great section of the community concerned, whose reliability and honourable discharge of their business obligations is of world-wide notoriety, is open to that indictment, or that they differ in any material respect from the great body of the Indian people of which they form so important a part, and whose character certainly is not open to the reproach which would seem to be levelled against a section of them by those who take this objection.

" My honourable friend, Mr. Peári Mohan, has asked me for a pledge as to the duration of the tax. No financial member who has any pretension to wisdom will ever give such a pledge. Prudence is to a financial member what modesty is to a woman; and if he once throws it aside he must expect to descend to that fallen class from whom nothing more may be hoped for. Nor in asking for such a pledge is my honourable friend consistent with the assurance he has given us that he accepts the principle of this Bill. If the principle is sound, it is unreasonable and inconsistent to promise that its application shall be of limited duration. If it is good for to-day, it is good for to-morrow and thereafter. So that I must decline to give any such pledge as I am asked for; nor would it be of any value if I gave it. No pledge could bind my successor,

who must be guided by the exigencies of the day in which he is called upon to administer our finances.

"My honourable friend, Mr. Peári Mohan, I see, is not yet quite happy about the Famine Insurance Grant. He has re-quoted a few words of Sir John Strachey's which I quoted the other day, and he has cited a passage from a speech of Lord Lytton's. I need not say anything more about the former extract. It must be read with the context which I quoted last Monday to the Council, and its meaning is perfectly obvious. But, in regard to what fell from Lord Lytton, I may remind my honourable friend that the authors of the being of the Famine Insurance Grant were Lord Northbrook and Sir John Strachey, and that if one wishes to learn the characteristics of a child one must address oneself to its parents. Lord Lytton was merely its sponsor; and if Lord Lytton promised and vowed more things in its name than it was ever likely to accomplish, he did no more than sponsors daily do, and must be held in no greater degree responsible.

"Next, in regard to the import duties. Mr. Mandlik has urged and has quoted authorities to prove that their re-imposition would not be felt. That, I should wish to take leave to say, seems to me beside the question. What we are concerned to see is that taxation should be imposed proportionately to the means of the person taxed. If the import duties were little felt by the poor man, they would *à fortiori* be far less felt by the rich man. What we have to look to is that each man should pay in proportion to his means, and not merely that the poorest should pay a tax which is not absolutely unbearable.

"I should wish, however, to say a few more words on the subject of the import duties, because I am compelled to disagree with a great deal of what I daily hear about it. I am well aware that the view I take is not the popular view; but a man must have the courage of his opinions. We have been told that the import duties should have been retained; and, in public discussion on the subject, we are constantly assured that the import duties were abolished solely in the interest of Manchester. I may be very obtuse; but I wholly fail to see how, in a matter of this kind, we can separate the interests of Manchester from those of India, or the interest of the manufacturer from that of the consumer. If the one, above all things, desires a free market for his goods, the other, above all things, requires the removal of all restrictions the effect of which is to raise upon him the price of the goods. The profits of Manchester are the economies of India. I think we may find a parallel which is not unsuitable in the case of the Isthmus of Suez. It was Europe, not Asia, which pressed for the piercing of that isthmus; but would any one seriously maintain that the Suez Canal was made in the exclusive interests of Europe, and that Europe alone has benefited by it. The exchange of commodities, the commerce and the wealth of the world, the producer, the manufacturer, the carrier, and the consumer, have alike benefited by it, as they must benefit by the removal of all restrictions and obstructions, whether they present themselves in the form of an isthmus or in the form of an import duty. The only Indian interests which seem to me to have been sacrificed are those of the persons who hitherto had enjoyed the monopoly of exemption from taxation; and if those interests are to be sacrificed by the abolition of the import duties, I must say that I should regret it no more than the sweeping away by the waters of the canal of the privileges of the Bedouins whose inheritance the desert had hitherto exclusively been. If a narrow neck of land or a narrow section of society stands in the way of benefit to the general community, then I say that it is the narrow neck or the narrow section which must be made to give way, and not the community at large. So that I cannot for a moment concur with those who would re-impose an import duty or block up a canal, who would replace free circulation by obstruction, and who would raise the prices of Manchester goods against us because, among other reasons, the benefits which the English manufacturing class have derived are more obvious to their eyes than are the benefits accruing to the Indian consumer.

"But it will be and has been said, that while this is all very well, it does not alter the fact that 1,200,000 *l.* were struck off the revenue, and that the country could not afford it. Putting Manchester, in other words out of the question, I am assured that the import-duties should have been retained because we could not afford to part with them. Well, let us look at a few figures.

figures. We have seen that the average surplus of the past three years has been 700,000 *l.*; we know that the Famine Insurance Grant is provided from annual surplus funds of 1,500,000 *l.*; so that we have had an annual surplus of 2,200,000 *l.*; and it is now argued that this was not sufficient, and that we should have added to this 1,200,000 *l.* more; or in other words that the import duties should not have been reduced, because we ought to have maintained a surplus during the last three years of nearly three and a half million. Who, in the name of reason, could have hoped to maintain such a surplus? Would the Council like to know what would have happened if we had attempted to maintain it? I am no thought-reader, but a plain simple Member of the Governor General's Council; but I think I could say what would have happened. We of the Finance Department should have been bombarded for fresh funds by the Military Department; we should have been seized by the throat by the Department of Public Works; the Home Department would have seized us by the coat tails; the Revenue and Commerce would have lifted its still small voice; the persuasive tones of the Legal Member would have demonstrated the necessity of increased supplies; His Honour the Lieutenant Governor of Bengal, in common with the other Local Governors, would have expected his quota of this unhappy surplus; I doubt whether even the highest authority in the land himself would have had the courage to restrain his august hand from demanding a share in the general plunder. Expenditure, much of it unnecessary, would have increased, and would have established itself; extravagance would have been the order of the day; and when the day of retrenchments and reduction came, as come it assuredly would, the whole administration must have been thrown out of gear. If, on the other hand, so very considerable a sum as 1,200,000 *l.* had been maintained for the extinction of debt or for the construction of railways, how long would the taxpayer have put up with it? Would he not have said he was doing too much for posterity, and bearing too large a share of a burden towards the removal of which he already annually contributed a surplus of over two millions? We should have been abstracting annually 1,200,000 *l.* from the resources of the country, and employing it in redeeming a public debt bearing 4 per cent interest by moneys which; in private hands, would be invested at 7 or 8 per cent., and be utilised in the production and the renewal of wealth. To make railways from surplus revenues which one may happen to possess is one thing; to maintain, at the expense of the taxpayer, a large surplus for the sole purpose of making railways, seems to me to be quite another matter.

"My honourable friend, Mr. Mandlik, has argued that the abolition of the import duties stands condemned, because it has not sufficiently resulted in increased imports of manufactured goods. I cannot follow his calculation. The value of imports of manufactured goods, treasure and Government imports apart, which in the 10 years before 1878–79 averaged 35 crores, was, in 1884-85, 53 crores; the average of the four years from 1878–79, when the first duties were remitted, to 1881–82, the year before the final abolition, was 47 crores; the average of the three years from 1882–83 to 1884–85 has been 51 crores. The percentage of increase from 1878–79 to 1881–82 has been 28; from 1878–79 to 1884–85 it has been 45. If we remember that during this period prices have been steadily falling, and that these figures represent values, not quantities, the real increase will be much greater. My honourable friend, Mr. Mandlik, has overlooked this important point, and the oversight vitiates all his conclusions. I am not so foolish as to suppose that the great growth of our imports since 1878–79 is due solely or mainly to the abolition of the import duties. It is due to a variety of causes. It is partly due to the increase in our exports; it is partly due to the cause to which so much of the increase of our exports is due, namely, to the extension of our railways and to the consequent improvement in the distribution and cheapening of commodities; it is due to the forcing of accumulated stocks, owing to the fall of prices in England, upon the Indian market; it is very largely due to the fall of prices in England; but unquestionably it is also partly due to the abolition of import duties. If the state of our exchange has, on the one hand, enabled us to place large stocks of grain and of seeds on the European market, and has prevented us from feeling in that direction the full effect of depression of prices which weighs so heavily at home (and to which, so far as the commodities are concerned which form the chief staples of our exports, we have not a little contributed), it has, on the other

other, handicapped us in our power of purchasing piece-goods, and has supplied an additional argument to what seem to me the unassailable economical grounds on which those duties were abolished.

"My honourable friend, Mr. Mandlik, has criticised at some length the expenditure in various branches of the administration with which personally I am not very intimately acquainted. I will not, therefore, follow him further on this ground than to say that to his desire to introduce economy into the administration, and to extend the employment of native agency, I personally and entirely subscribe. Whether from the more narrow ground of my own special province of finance, or from larger political considerations, any practical efforts suggested in this direction will have my constant and strenuous support. I believe that in the dual agency by which executive administration is and must be carried on in this country, we should endeavour and make it our great aim to march not on parallel, but on converging, lines. His Honour, the Lieutenant Governor, has dwelt at length on the question of the Provincial revenues. He sees, or thinks he sees, that, like Cassius, I have a lean and hungry look, and that I am animated by evil intentions. He fears that in the revision of the contracts I shall, as the French say, draw the counterpane too much my way, and that he will be left in the cold. There is a Persian proverb which says, 'Awal Khwesh, bad'hu darwesh,' which, very liberally translated, means 'Devil take the hindmost.' But let me reassure him. In this matter there will be no foremost and no hindmost; we shall approach the matter in that spirit of justice, of moderation and of reasonableness in which only it can be effectually handled. We shall be most ready to listen and to examine all that the Provincial authorities have to urge, but we shall at the same time be compelled to insist, as I said last Monday, on an equitable re-distribution of the new burdens which have been imposed upon the general revenues. To that I am sure His Honour will take no exception, and we must leave the working out of the details to those who will be charged with the task.

"And now, my Lord, I think that I may bring this, my second *apologia*, to a close. I am conscious that I have but glanced at the surface of much that has been said; something of what has been said I have not so much as attempted to glance at; but this, not because I am gravelled for lack of matter, but because had I travelled over the whole ground taken up during this discussion, I should have wandered far from the issues actually before us. I have stated why I cannot share my honourable friend Mr. Steel's hopeful view of our prospects, and why I am unable to hold out at present any hope of the remission of the export duties on rice. I have glanced at the argument against the income tax based on its inquisitorial nature, and have given my grounds for doubting whether these arguments from lapse of time have not lost much of their force. I have pointed out that the question before us is one of the equitable distribution of taxation, and why the import duties alone, without direct taxation, are not consistent with such a distribution; I have contested the view that the import duties should be re-imposed; I have, I hope, re-assured his Honour the Lieutenant Governor in regard to my designs on the provincial contracts; and I leave the matter now, so far as I am concerned, to the decision of the Council, in the confidence that we shall be accorded its support."

Mr. Hope. The Honourable Mr. *Hope* said:—

"Our honourable colleague, Sir Auckland Colvin, warned us, on the last occasion when we met to consider this Bill, that we should probably find to-day various ancient weapons furbished up for use in an attack upon it, but I confess I hardly expected to hear it seriously contended that direct taxation was unsuited to India, and obnoxious to its people.

"Direct taxation, I venture to maintain, is not a novelty in India, as too commonly supposed, but a most ancient and well-known institution. Native Governments have from time immemorial made the non-agricultural classes contribute their share of the expenses of the State. To the native mind in general, this appeared only just, fitting, and to be contentedly borne. Between cultivators and traders, poor and rich, no sense of unequal treatment could subsist under the system which our predecessors in the Empire for centuries pursued. But when we superseded them we gradually abolished the structure of direct taxation which they had laboriously raised. In the elder Provinces, this change was consummated by about the year 1844, in the newer ones it took

took place later, but the only survivals of the native system now are the capitation tax in Burma and the pándhari tax in the Central Provinces, which are specially dealt with in the Bill now before us. On the other hand, all Native States now remaining have, speaking broadly, retained their old method of direct taxation to this day.

"What is the result? When we collect a paltry half million or so, British India rings with discussions and objections, while to our native feudatories direct taxes, under innumerable forms and names, and to a proportionately larger amount from a far smaller population, flow in without a murmur. This fact is so remarkable that it appears well worth our while to endeavour to examine into and ascertain its causes.

"Having served for considerable periods in Native States, and been directly and indirectly concerned, as a political officer, with their administration, I have had some opportunities of observing their system in this respect, and have myself been connected with the collection of direct taxation far heavier than any which has ever been contemplated in British India. The characteristics of their system may be concisely described as traditional acquaintance with individuals and their circumstances, rudely equitable apportionment between man and man, permanency or dislike of change, and employment of the regular localised revenue agency. In 1880 a middle-aged native chief, who is his own prime minister, and a most intelligent personal ruler, described to me his own practice in a few words. 'In my State (he said) 'the name of every house-holder not an agriculturist, is shown in the books of the village to which he belongs, with the sum he and his ancestors have been paying. This is levied from year to year. Only on extraordinary occasions is any alteration made. If the family became "divided" the sum might be made into shares at their request. If it notoriously fell into great poverty, some permanent reduction might be conceded; or if the business were quite changed and improved, I might increase the annual sum. But to get a small sum I should never cause an outcry. Everything would be inquired into and decided, in the presence of the parties, on the evidence of the village headmen and neighbours.' I am aware that this description might not apply precisely to all parts of India, as also that Native States are subject to paroxysms of tyranny, and that even in those well administered acts of injustice may occur. But it is sufficiently typical, and accounts for the fact of the noiseless levy in these states of direct taxation.

"Turning now to British India, in 1860 we were obliged by financial necessities to revert to direct taxation, which we had gradually abandoned, but instead of a native model, softened and adapted to our circumstances, we unfortunately set up that of the income tax, as in force in England. To get direct taxation into good working order, even after a suitable model, would have been a work of time and care, in the absence of the long-standing record of the names and resources of householders which we had in earlier years done away with. But what, except failure, could attend a sudden call on relatively ignorant and unlettered millions, at short notice, to assess themselves, or prove right of exemption, to send in elaborate returns and calculations, and to understand and watch their own interests under the system of notices, surcharges, claims, abatements, instalments, penalties and what not, consequent thereon. Necessarily there followed a long train of evils. An army of tax assessors and collectors temporarily engaged could not be pure. They were aided by an army of informers, actuated by direct gain or private animosity. Frauds in assessment and collection went hand in hand with extortion in return for real or supposed exemption. Inquisition into private affairs, fabrication of false accounts where true ones did not exist or were inconvenient, acceptance of false returns, rejection of honest ones, unequal treatment of the similarly circumstanced—all these, more or less, prevailed. The tax reached numbers not really liable, for zamíndárs illegally recovered it from tenants, and masters from servants, while underlings enriched themselves by the threat of a summons. Acts XXI. of 1861 and XVI. of 1862, while affording relief in some respects, practically stereotyped many inequalities and heart-burnings. In later years the system of assessment by broad classes was an improvement on the earlier complications, but the advance of local officers towards equitable assessment was perpetually being cancelled by the alterations in rate and liability which I shall presently notice.

"Renewed direct taxation in British India thus made a false start, from which it has never recovered. Possibly, with time and care, a great improvement might have been effected if the law had remained unaltered. But, unluckily, with its too English form, came the idea that the tax was to be, as in England, a convenient means of rectifying Budget inequalities, and a great reserve in every financial or national emergency. In consequence of this idea, incomes between 200 rupees and 500 rupees, which had been taxed at 2 per cent. in 1860, were exempted in 1862, the 4 per cent. rate was reduced to 3 per cent. in 1863, and the whole tax was dropped in 1865. In 1867 it re-appeared in the modified form of a license tax, at the rate of only 2 per cent. at most, but reaching down again to incomes of 200 rupees. In 1868 it became a certificate tax, at rates a fifth lower, and again commencing with a 500 rupees limit. In 1869 it became once more a full-blown income tax at 1 per cent. on all incomes and profits of 500 rupees and upwards. In the middle of the same year it was suddenly nearly doubled. In 1870 a further rise to fully $3\frac{1}{8}$ per cent. occurred; but with better times, the rate fell in 1871 to $1\frac{1}{24}$ per cent., with a limit of 750 rupees, and in 1872 the limit was further relaxed to 1,000 rupees and upwards. In 1873 came a second period of total abolition, to be succeeded from 1877–78 by the new series of Acts with which we are all familiar. Along with the changes in rate and incidence just described, came changes in name, form, classification, and procedure. With one object or another, 23 Acts on the subject have been passed since 1860.

"This long recital of what is well known to my hearers will have been tedious, I fear; but it seemed necessary to enforce my point, which is, that we have hitherto attempted direct taxation in British India under conditions which rendered success impossible. Owing to the perpetual changes, the people, never certain who was liable or what was the sum due, were an easy prey for fraud and extortion, while the superior officials time after time found their labours thrown away, and a fresh battle with guesswork and deception to be begun. That both officials and people should in 1872 have united to condemn an impost hitherto associated only with such evils, is not to be wondered at. Our abandonment of the machinery of direct taxation inherited from our predecessors was one of the things in us which the mass of the people disliked without being able to understand. Our new-fangled and European attempts to retrace this policy seemed to them tyrannical, compared with the rude expedients familiar to their fathers. All things considered, the abolition of the income tax in 1873 was probably the best thing that could then be done.

"But direct taxation could not long be dispensed with. A new start was made in 1877. This start was, I think decidedly well-intentioned, made in considerable appreciation of past defects and desire to avoid them. It was wise to begin with trades and classification, but it seems to me that too much was made of supposed local differences, and too much importance attached to local action. Bengal, Madras, and Bombay passed Acts of their own; Northern India was dealt with by the Imperial Legislature. As a necessary consequence, further legislation was soon needed to remedy inequalities. Some good was thereby effected; more would have resulted but for the, as I think, unfortunate abandonment of the Bill introduced in November 1879.

"Act VI. of 1880, with the local Acts it amended, is still in force. Their continuance for five years unaltered has done a great deal to remove such evils as arose from frequent changes. But still we find an unjust system of maximum everywhere, while the amount of maximum varies, and the classification essentially differs, in different parts of India. In short, the incidence differs with every class; the poor pay more in proportion than the rich, and the richer a man is, above a certain point, the less he has to pay. The measure is open to grave objections of principle and detail; it represents no school of economic thought, no section of public opinion; it satisfies no one, and must obviously be ephemeral.

"In this state of affairs we have presented to us the dilemma of abolition or reform. I need not follow Sir Auckland Colvin in his review of other alternatives to direct taxation which have been suggested, because, though agreeing with his elimination of them, I hold the issue to be different. I take my stand on the principle so eloquently enunciated by His Excellency the Viceroy when the motion for leave to introduce the Bill was before us; that of abstract justice. How much longer, I would ask, are we to tolerate the fact that non-agricultural wealth

wealth, though considerable and daily increasing, pays very little, in proportion to its means, for the protection and great advantages it enjoys under British rule; to which the very existence of the bulk of it is attributable?

"I therefore elect unhesitatingly for reform, for such reform as, I personally hope and believe, will ensure the incorporation of direct taxation as a permanent part of our fiscal system. Whatever may hereafter, at least in the near future, be the improvement in the general revenues, whatever surplus may in such future be deemed available, after duly providing for the development of the resources of the country and the reduction of debt, ought in my opinion to be applied to relief in other directions, such, for instance, as that of the rice duty indicated by my honourable colleague, Mr. Steel, but no reduction in direct taxation should be conceded. Such a reduction would be unjust, as impairing even such advance towards a fair balance of taxation between agriculturists and non-agriculturists as will be attained by the present measure. But it would also be undesirable, since avoidance of change is essential in order to prevent fraud and oppression in the levy of the impost. Differing from my honourable colleague, Mr. Peári Mohan Mukerjí, and from Sir Charles Trevelyan and Mr. Massey, whom he quotes, I hold that in India an income tax is utterly unsuited to form a financial reserve. In England the mass of the people are accustomed to watch the commercial and agricultural prosperity of the country, competent to understand changes and causes, and able to accept, with intelligent equanimity, an extra penny of income tax, or an increase of duty on some article of consumption. But in India the position is just the reverse, and such a condition is absolutely unknown. Certain sections of the community, indeed, are able to understand and criticise the financial position as well as people in England can, if not better. As a rule, the people are in a totally different intellectual and moral condition. Every change which takes place is a source of anxiety, of disquietude, of speculation, and of rumours which are often unreasonable or even absurd. I can imagine few conditions more economically and commercially prejudicial, if not more politically dangerous, than that all India should come to be thrown annually, from December to March, into a state of doubt and speculation as to what their fiscal burdens for the coming year would be. On this subject I venture to draw attention to the weighty remarks made by Mr. Gladstone in a debate in the House of Commons on 18th April 1853:—

'* * This country cannot bear a revolution once a year. I venture to say in like manner that it cannot bear once a year a reconstruction of the income tax. Whatever you do in regard to the income tax, you must be bold, you must be intelligible, you must be decisive, you must not palter with it.'

Mr. Gladstone was speaking of the income tax in England. His remarks, however, apply to any system of direct taxation whatsoever, and I venture to think that they are even more applicable to India than to England.

"Holding these views, as I do, I readily support the Bill now presented. My approval of such a measure is due to no new-born zeal, to no tardy conversion. My opinion has long been matured. I may mention that a re-adjustment of the public burdens, comprising increased direct taxation, was for a time, under my strong advocacy, a part of the financial programme of 1882-83, and I much regretted its abandonment in favour of a policy more attractive but less sound. The present Bill, though in one or two respects scarcely such as I should desire, is the same in principle and in leading details as what I then proposed. Its success depends, I consider, upon its recognition as essentially a new departure, on lines different from those which experience has taught us to avoid, and upon its future life and administrative working being regulated accordingly. Two points relating to its working seem to me of sufficient importance to warrant special notice to-day.

"First of all, it is essential that the machinery be of good quality throughout. The evils which are likely to arise when temporary, unsuitable, or ill-paid agency is employed in the assessment and collection of a direct tax, were amply illustrated in a very searching inquiry which was made into the whole question of taxation in 1881. I hope that I shall not be thought guilty of undue partiality for my own presidency if I commend to notice the principle adopted in Bombay in this respect. It has always been the rule there to place officers of superior rank, usually the mámlatdárs (*i.e.*, tahsíldárs) of the sub-divisions, on special duty for two or three months to do the assessments personally, with

the clerical aid of one or, at most, two of the regular sub-divisional establishment. Officiating promotion being given to fill their places in the regular staff, new men, if required at all, came in low down and had nothing to do with the tax. The mámlatdárs acted under the direct check of the assistant or deputy collector in charge of their division of the district. The latter officer, being on tour throughout the fair season, and in constant intercourse with the people, took considerable personal tests, heard appeals on the spot, and was a constant check upon abuses. I venture to hope that the analogy of this system might be followed, *mutatis mutandis*, throughout India, and that efficiency in this, as in many other matters, might be materially promoted, if assistant and deputy collectors were more generally placed, as in Bombay, in charge of the whole administration of divisions (subordinate to the collector and magistrate), and required to be on tour for a rather longer period of the year than is in some provinces customary. As a part of this system, would follow ample leisure, including a whole fair season, for deliberate assessment and collection, and the hearing of appeals, freely, with less limit of time, and on occasions convenient to the people.

"The principle which I here advocate, of avoiding temporary agency, should reach down to the villages in all Provinces when the organisation will admit of this, or should approach to it as near as possible. A permanent register of assessees to the tax should be a part of the village records, kept up by the village accountant, revised from year to year according to changes of assessment which might occur, though these should be as few as possible, and this register should be regularly inspected and countersigned by superior authority. The amounts should be collected by the same agency as, and usually along with, the revenue demands, all special tax collectors, chaprásís, and the like, being eschewed. The same principle, on the other hand, should govern as far as in each case may be the assessment of Mufassal towns and cities, officers and records being permanent, though not necessarily employed on the work of the tax alone. The Presidency towns would, of course, need special treatment appropriate to each.

"In making these suggestions, I do not overlook the peculiar administrative arrangements of Bengal, arising out of the Permanent Settlement, but I understand that even there a gradual advance to a much more complete fiscal and executive organisation is recognised as desirable and not out of reach, and I would add that I do not advocate more than arrangements on the same principle in cases where similarity in detail is impossible. My recommendation, however, is justified by the fact that although in Bombay the tax was so administered that it yielded, on an average of years, two-thirds of the amount produced by Bengal and Assam, from a population only one-fourth of theirs, yet the province is admittedly the one where the least discontent and outcry have prevailed, and where an income tax has long been openly advocated by powerful sections of both European and native public opinion.

"No less important than reliable inferior agency is competent supervision of the assessment throughout the province. The inequalities which have arisen through the want of this both between provinces and between districts of the same province, were very forcibly shown by the inquiry already alluded to. The salary of a special officer in each province for a few months, or even for the first two or three years of the new income license tax, would be paid over and over again, not merely in money, but in the additional equality and justice which would be insured. I think I may venture to say, though I speak without book, that my honourable colleague the financial member will not grudge whatever reasonable expenditure may be deemed necessary to provide effective and reliable agency for the recovery of the tax.

"The other point, not less important than good agency, is the use of the powers of assessment and revision from year to year with care, tact, and moderation. All feverish anxiety to screw up particular classes of localities, or to adapt assessments to the varying circumstances of the year, should be avoided; petty increases and changes should be foregone. What is needed is a patient and continuous endeavour to learn and record the real means of parties, to prevent the unfair escape of individuals, and to build up a framework of taxation such as is found in native states and normally worked upon.

"Did I not believe that it is the sincere desire of the Government of India that the new tax should be thus looked upon, and so administered in these two respects

respects, and that it is to be in all ways a new departure on lines essentially different from what is gone before, the measure would meet with my opposition instead of my cordial support. I do not expect that direct taxation can ever be perfect,—it is open to abuse even in England,—but I see no reason why it should not be gradually made in India as good as its nature will allow.

"I have already said that I should not follow Sir Auckland Colvin in his review of alternatives, and I shall not follow other honourable Members in their suggestions of such, but I am obliged very briefly to touch on the question of the import duties, because my honourable friend, Mr. Mandlik, has alluded to me personally and to the opinions I expressed in this Council in 1875. He has quite correctly represented the views I then held, and I now see no reason to question their soundness. If the adoption then accorded to them had continued longer, and if an excise upon Indian mills had in due time been imposed, when found necessary, it is possible that we might have retained the duties to this day. But in 1878 measures were taken which, in the balance of difficulties then presented, it would be rash in me to condemn. They introduced disruptive principles into the tariff, and inevitably shattered and brought down the entire structure. Supposing, however, that the event had been otherwise, that no action had been taken in 1878, and that the import duties were existing at this day, will the honourable Member seriously contend that, although they would be a convenient source of revenue, they would reach the rich non-agriculturist in any degree at all approaching that in which justice to all other taxpayers demands that he should be reached?

"In conclusion, I feel it incumbent upon me to trouble the Council with a few remarks regarding the question of silver and exchange. By way of introduction I would ask leave to read an extract from our Proceedings of 21st March 1877, in which I am reported to have spoken to the following effect:—

'Although there were occasions when the strength of a Government might be to sit still, he (Mr. Hope) did not think that this was one of them. The British Empire was interested in the silver question as much as any nation in the world; in fact more so, in consideration of the special double life which it possessed, a life both European and Indian. The English nation had in England an enormous debt, contracted and payable in gold. It had likewise there a vast manufacturing industry for export, which depended in a great measure on the ability of the silver-using nations with which it dealt to pay for its products. Here in India, on the other hand, it had a heavy debt to defray in gold, while all its assets were raised in silver. Thus, if there were any serious rise in the value of gold, such as he, for one, believed had taken place, rather than a fall in the value of silver, England must suffer both at home in her debt obligations and her current commerce, and in India by the depreciation of the national (he meant in the sense of the Indian national) capital, which was almost entirely in silver, by the increased weight of the obligations which she had to meet in gold, and by the decrease in the value of her means of meeting them. He believed it, therefore, to be entirely the interest of England, whether in England or in India, to have as large a circulating medium as possible, and one which should embrace both gold and silver as a full legal tender. It would be gathered from what he had said that he was one of that minority—and he must admit, with regret, that they were at present a rather small minority—who were in favour of bimetallism. So long ago as August last (1876), after studying everything on the subject which was within his reach, he had written privately to his friend, Mr. Chapman, the Financial Secretary, that he could come to no other conclusion than that that system was the right one. He believed it was quite possible for Government to fix a ratio between gold and silver after due inquiry, and that it was just as much the duty of Government to do so as to take any other measures for the protection of the community. No doubt such a step could not be taken without an understanding with other nations; but if they were to wait till all nations agreed on the subject, or till they could get together a sort of universal conference, they might have to wait for ever.'

"How far these views have been confirmed by experience, I leave my hearers to judge. For myself I can only say that from that day to this I have watched most carefully all the phases of the question; I have studied all notable utterances upon it; I have neglected no opportunity which lay within my reach of pressing for practical action, such action as I deem indispensable in order to place our finances in a safe position for the future, and to recover, as far as may be, the position we have lost in the past. I entirely agree with my honourable colleague, Sir A. Colvin, in holding, though I might justify my faith by somewhat different arguments, that a low exchange is not that benefit to India which it is in some quarters supposed to be. I am convinced that unless a remedy be applied soon, before prices of Indian produce are seriously affected, the result

will be a practical confiscation of a proportion, corresponding to the depreciation, of such part of the circulating capital of the country as consists of silver money. None the less does it seem clear to me that the present relative values of gold and silver have a disastrous effect upon trade in general, and upon large classes of the population of England. We may extend direct taxation so as to redistribute the public burdens more equitably between the agricultural and non-agricultural classes; we may effect reductions of expenditure without checking the natural growth of the country (as I trust we may do); we might even go further, in our zeal to make two ends meet, on the short-sighted and usually short-lived course of blind reduction without regard to circumstances, but, as long as the currency difficulty remains unmet, and the chasm of depreciation yawns before us, all such attempts to rectify the finances must be futile, and like tinkering the sides of a kettle when the bottom is out. This is obviously not the occasion for me to pursue this matter further or in detail. I will only say, and here, as in the foregoing remarks on the subject, I offer my personal opinion only, that I deem the only effective remedy to be the adhesion of India, at least, upon terms which it would not be difficult to adjust, to a bimetallic union, comprising most, if not quite all, of the nations which were represented at the Paris Conference of 1881. By such means alone can we hope to afford to the unfortunate receivers of fixed incomes, to whatever class they belong, the relief which is their due, or to establish our finances on a sound basis.

Babu Peári Mohan Mukerji.

The Honourable *Peári Mohan Mukerji* said:—"With your Excellency's permission I wish to point out, with reference to what has fallen from the honourable the Financial Member, that I did not say that the imposition of the tax should be postponed to next year, but that the consideration of the question whether that imposition should be made permanent should be put off till next year. I am not sorry that my Bábú English has caused this mistake, for it has given the Financial Member an opportunity to treat the Council to a well-turned repartee."

The Viceroy.

His Excellency the *President* said:—"Before putting the question I may be permitted to express the very great satisfaction I have derived from the generous unanimity with which the various Members of this Council have expressed their approval of the measure placed before them. Quite independent of those who are connected with the Government, we have amongst us representatives of the three most important interests in India affected by the present Bill. We have a most distinguished representative of the mercantile interests, to whose incisive and weighty speech we have all listened with the greatest pleasure and profit. We have an equally distinguished representative of the interests of the learned professions, and we have also amongst us two gentlemen who are exceptionally authorised to speak on behalf of the Native community. When, therefore, we find that the representatives of these three interests have been good enough to acquiesce in a measure which the Government have introduced with a considerable amount of anxiety and reluctance, we may well congratulate ourselves upon the result. But there is another view in which I personally may be permitted to regard this question, and which gives me even greater satisfaction than that which I have derived from the consciousness that a measure of the Government has been unanimously approved by this Council. As the representative of the Queen-Empress, and as in some respects the spokesman of the British people, I cannot but consider that the unity of the effort, which we have agreed to make in common for the protection and the defence of the Indian Empire, is a better proof and test than any that could be produced of the solidarity of the interests which unite Her Majesty's Native and British subjects in one common feeling of loyalty towards Her Majesty's person and Her Empire. And let me assure those gentlemen who represent so ably Native interests in this country that the manner in which the Native community has stepped forth so loyally and patriotically to the support and the policy of the Government on this occasion will not fail to be appreciated at its true value by their fellow subjects at home."

The Motion was put, and agreed to.

The Council adjourned to Friday, the 22nd January 1886.

The Council met at Government House on Friday, the 22nd January 1886.

License Tax Amendment Bill.

Sir A. Colvin.

The Honourable Sir *A. Colvin* presented the Report of the Select Committee on the Bill for imposing a tax on income derived from sources other than agriculture. He said: "I wish to ask to be allowed to explain in a few words the object we had in view in directing the Select Committee to report in the brief time prescribed for it. Previous experience has shown that it is very necessary that a Bill of this nature should be passed into law in time to enable the Local Governments to take measures for the preparation of schedules of assessment and to commence the other necessary inquiries before the beginning of the financial year in which the Act is to be brought into operation; as well as to allow of this Government preparing the rules which have to be drawn up under the Bill when made law. Hitherto, owing to neglect of this precaution and to consequent delay in the time of passing the Act, there has arisen considerable inconvenience, and it has always been pressed upon the attention of the Government of India that whenever occasion arose for introducing an Income Tax Act the Local Governments should have ample time given to them, in the interests of the persons assessed, as well as in the interests of the administration, to make all necessary preliminary arrangements in connection with it.

"I may also add that on previous occasions the procedure now followed in regard to the passing of this measure has invariably been adopted, and that Bills of this nature have been passed through the Council with the least possible delay."

The Council met at Government House on Friday, the 29th January 1886.

License Tax Amendment Bill.

The Honourable Sir *A. Colvin* moved that the Report of the Select Committee on the Bill for imposing a tax on income derived from sources other than agriculture be taken into consideration. He said:—

Sir A. Colvin.

"The Report of the Select Committee has been for a week before the public, and I observe from the comments in the newspapers and elsewhere that the provisions of the Bill as now modified have been generally taken into consideration. The Report enters fully into the modifications proposed by the Committee, and it is, I think, unnecessary that I should take up the time of the Council without sufficient reason, by going over ground which has already been thoroughly traversed in the Report. I will therefore now limit myself to drawing attention briefly to the principal points in which the Committee has modified the provisions of the Bill. First, in the third clause of Section 5 we have provided an exemption with regard to the houses of persons occupied in the pursuit of agriculture, so that houses actually in the occupation of landholders or agriculturists in connection with the land which they hold or cultivate, and which is necessary to them in the exercise of their calling, will not be liable to the tax. Secondly, we have exempted any portion, not exceeding one-sixth, of the income of a person liable to the tax, when such portion of his income is devoted to the purpose of securing a deferred annuity or an insurance upon his life, following in this respect the practice in England. The provision making a distinction between the assessable minimum amount of incomes from official salaries and other incomes has also, in deference to the views of the Select Committee, been struck out. There appeared to the Government, as originally advised, sufficient reason for making this distinction, but, in view of the general disapproval which has been expressed regarding it, it was thought unwise to retain the provision in the face of the opposition it was likely to meet with. We have also omitted the provision requiring that private employers shall deduct the tax from the salaries paid to their employés. We found that great objection was taken to this provision by the mercantile community and other classes of employers, who represented that there would be considerable difficulty in practice in carrying it out, and that it would impose upon them much annoyance and inconvenience,

while at the same time they expressed their perfect willingness to submit lists of their employés and of the salaries paid to them, so as to facilitate as much as possible the assessments of their incomes. Here, again, we were able, while retaining an option in the matter, where it could be worked by mutual agreement, to meet the wishes of the Select Committee. With regard to the taxation of shipping companies, it was represented by the Honourable Mr. Steel that the carrying out of that provision of the Bill was impracticable, that it never had worked in practice, and that its retention would only lead to a great deal of annoyance without any good result. We assured ourselves that it never had worked, that we had on previous occasions got nothing from it, and we satisfied ourselves of the force of the objections raised as to its impracticability. We felt ourselves the more bound to give our respectful attention to the objections and remonstrances urged on us in this respect, inasmuch as they came from a quarter whence great support and assistance had been offered us, so that we could rest fully assured that the criticism was made in no captious or idle spirit. Our honourable colleague, Mr. Steel, speaking on behalf of the community whom he represents, advised us that while they were anxious to support the measure now before us as a whole, on this particular point we were, they thought, in error; and that were the section retained in the Bill great annoyance would probably be caused to shipping agents without any prospect whatever of advantage to the Government. We have accordingly altered the draft Bill to obviate this objection. The only other provision to which I consider it necessary to draw the attention of the Council is that which relates to appeals from assessments made under the Act. Under the original draft of the Bill no appeal was allowed from any assessment, but the Commissioner of the division might at his discretion entertain an appeal in any case in which he thought fit to do so. But it was pointed out to us that, with regard to assessments upon the larger incomes, it would certainly prove inconvenient not to allow an appeal; it was admitted that in the smaller assessments an unlimited right of appeal was objectionable, because experience had proved it to be of no practical utility; but in the case of the larger incomes it was represented that appeals must, from the nature of the case, be comparatively few, while, on the other hand, there could be brought before the appellate authority, in such cases, materials and data in support of the appeal which were not possible in the case of assessments for the less important amounts. As the main object in originally drafting the Bill had been to prevent the accumulation of a large mass of appeals against small assessments, submitted rather *pro formâ* than because the appellant was in a position to urge anything in the form of proof, or the appellate authority in a position to exercise a sounder judgment than the officer assessing, we were prepared to meet the objection urged on us by enacting that an appeal should be allowed on the larger assessments, while, in regard to other assessments, we retained the provisions of the License Tax Acts, which have been found to work satisfactorily. We have accordingly modified the provision so as to admit of the revision upon appeal of assessments amounting to 250 rupees and upwards. I think these remarks will suffice to draw attention to the points of main importance in the Bill as it has been amended by the Select Committee."

The Honourable Mr. *Steel* said:—"I cannot allow this opportunity to pass without expressing the obligations which are due to the honourable Member in charge of this Bill for the fair and reasonable spirit in which he has carried it through the Select Committee. Some of its provisions were of a nature which might have occasioned much irritation if the objections to them had been met in a less conciliatory manner. The honourable Member has described the changes which have been made in the Bill. The special exemption of Government servants with salaries under 100 rupees per month would have caused jealousy and offence; and, as it appeared to be supported by no sufficient reason, its excision has been a great improvement to the Bill. The Committee have been able to make another change in the Bill, which is of considerable importance, as satisfying objections from all parts of India. I mean the exclusion of those clauses which were designed to bring under the operation of the Bill shipping owned elsewhere than in British India but trading between foreign countries and Indian ports. The original clauses of the Bill were strenuously opposed by the agents who have charge of such shipping in India. They pointed out the impossibility that anyone in India could ascertain or fairly assess the profits made by

by such shipping; that even the owner in England or elsewhere could make no proper return of the share of his profits liable to taxation, much less the agent in India; that the clauses, if applicable at all, must apply to any vessel touching at an Indian port; that the clause which enabled a collector to call upon an agent for information which he could not possess was unfair and oppressive. These arguments had due weight with the Committee, who further satisfied themselves that similar clauses in former Acts had been absolutely inoperative and produced no revenue. Under these circumstances the concession made by the Committee has cost nothing to the revenue, while it has relieved ship agents from the apprehension that some zealous collector might endeavour to fasten upon them an onerous obligation impossible to be fulfilled. The Honourable Mr. Mukerji has given notice of his intention to propose that the duration of the Bill shall be limited to one year. I will not anticipate his remarks, but I will take this opportunity to say that, whatever be the result of his amendment, the payers of income-tax will now fairly claim that under the present Bill they will contribute at least their full share; and, when any remission of taxation is possible, they will expect that their case shall be considered on its merits along with all other claims for relief which may be put forward."

Babu Peári Mohan Mukerji.

The Honourable *Peári Mohan Mukerji* said:—"I only wish to refer to one point, and that is Section 29. It will be seen that, unless otherwise provided by the rules to be framed by the Act, the tax will be collected in one instalment for the whole year from all persons except those holding salaried offices under Government or in private employment. I think it will be more equitable to collect the tax by quarterly instalments."

Rao Saheb Vishvanath Narayan Mandlik.

The Honourable *Rao Saheb Vishvanath Narayan Mandlik* said:—"I have noted, in the remarks which I have appended to the Report of the Select Committee, the subjects upon which I differ from the majority of my colleagues, and on which I now wish slightly to touch, with the permission of your Lordship. I think the machinery of the Act, so far as it could be improved, and this I speak from my experience of the first Income-tax Act, in the working of which I had the honour to be associated, has been improved by the Select Committee, guided by the Honourable the Financial Member. But when I have said that, I think I have said nearly all that I can say in favour of the present measure. I had wished that the way had been seen to confine its operation to one or two years, and this on grounds already indicated in the remarks which I submitted to the Council on the first occasion; because, if that had been done, the measure would have been received with greater satisfaction by the people, and I should not have said much on this occasion. I think the remarks which were submitted to the Council by the Honourable Mr. Hope raised issues which were very wide, and with some of which I do not propose to deal at this stage. In my speech on the last occasion I simply took for granted the necessity of some new tax as pleaded by the Honourable the Financial Minister. I think the country is quite ready to meet his views so far. If the money is wanted for one year or two years, there is the Bill. But beyond that, if you seek to make this a permanent Bill, I say it would be going in the teeth of the past history of the country. I think the remarks which have fallen from the Honourable Mr. Steel are just in regard to all measures of direct taxation like that now before us. Some native chief may have tried to introduce taxation like this; but for all that I do say that it is unsuited to the country. Past history is against it, and I should not like to see the introduction of such a tax as this, because it will introduce two currents of economic life amongst the vast populations of India, and which ought not to exist; and whatever may be the reason for bringing other races and other classes of people under such measures of taxation, I think the Government of India should prefer those broader lines of financial policy on which I hope the Financial Member will always base his work; and I, therefore, think it will be better to limit the duration of this tax to the necessities of the occasion and not make it a part of the permanent resources of the Empire. The allusion which the Honourable Mr. Hope made to the opinion of Mr. Gladstone is, I am sorry to say, not quite pertinent, because it did not refer to the duration of the tax; for, after reference to the volumes of Hansard's Debates, honourable Members will see that it referred to what may be called the cutting up bit by bit of the scheme or a sort of tinkering of an Income-tax Bill. He did not wish it to be tinkered from

time to time, but either to be taken as a whole, or abandoned as a whole. That Mr. Gladstone was strongly opposed to such a tax may be gathered from his condemnation of its character; for he expressed in very clear and decided terms his verdict on that occasion, and further, he limited the duration of the tax to only seven definite years. The circumstances and the revenue systems of England and of India are very different, I may say entirely different. The main sources of our revenue are the land and opium. Into the rest I have no time to go. We had *a* house-tax, and it has been abolished. The Government of India has wisely remitted a very large number of annoying taxes since 1839 and 1844, and imposed others in their places; and I am quite sure that it can rest its action on its broad and equitable foundations; for, at any moment, when the necessity arises, all classes of the people will cheerfully submit to be taxed to the utmost. There is only one point on which I have to make one or two observations in this place, and that is with reference to the tax on houses. The house-tax is well known in this country, but it is not a tax on the income of the householder. I say this from my own experience and a knowledge of the past history of this country. But in order to verify my conclusions I have referred to various sources of information during the last week, with reference to the house-tax in British India and some of the principal native states throughout the country, and I am satisfied that it is a house-tax and nothing more. It is a tax rather on the value of sites, and the incidence of the tax varies in some states like Kolhapur, in the Southern Marátha country, from two annas to five rupees. We were referred to the capitation tax in Burma. It existed in two towns in 1852 and was abolished by our Government, which enacted a revenue-tax instead and limited it in a careful manner by regulating it according to the size of the site. I do not think, therefore, and I say it with very great respect, that we ought to fall back now on the policy of an obsolete native prince cited to us as a model by which to guide our measures of taxation. We proceed on entirely different principles. The resources from which we derive our revenue can be examined in the broad light of day by the criticisms of an enlightened public, and I do not think the Government of British India has anything to fear if it follows the broad lines of a definite policy in such matters. I have differed in one or two things from the Honourable the Financial Member. I think that on the whole, for an emergency like this, we have struck out a pretty good rough and ready machinery, and I am only sorry that he should not be able to see his way to make this present Bill a limited one, I mean limited in its duration, and perhaps see his way to abolish it altogether."

Sir A. Colvin.

The Honourable Sir *A. Colvin* said:—"I am extremely glad to hear from the Honourable Mr. Steel that the efforts of the official members of the Government in Select Committee to meet and conciliate the objections brought forward by himself and his colleagues have met with satisfaction. I think it is also due to them to say that in passing this Bill through Select Committee our own proposals have been met by our colleagues in a similar spirit, and that we have derived from their suggestions the greatest assistance and support. I may, perhaps, be allowed to go further, and say that the generous support accorded to the Government in a matter of so delicate a nature, in a burning question of this kind, which in former days was the subject of prolonged and bitter controversy, has been to us matter of deep satisfaction; and that the burden laid on me (for no man in my position can propose to increase taxation otherwise than with great reluctance) was greatly lightened when I found that those whom we were compelled to call to our assistance acknowledged the propriety of what we did, and gave us their ungrudging support and assistance in carrying out the measure which we placed before them. Both in the community represented by my honourable friend Mr. Steel, and in the native communities represented by my honourable friends Bábú Peári Mohan Mukerji and the Honourable Rao Saheb Mandlik, I think that it is only right that I should say that our proposals seem to me to have met with a degree of fair and unbiassed consideration which to me has been extremely gratifying. On a point of this sort it is inevitable that differences of opinion must be held and expressed; every man will form his own judgment, and the judgments of many will differ; but the balance of opinion, as far as I have been able to learn, is that the Government is justified in what it has proposed; that the mode in which the measure before us is to be carried

out

out is open to the minimum of objection which can be brought against a measure of this kind, and that our critics, many of whom are called upon in their own persons to contribute, will do so loyally and willingly, if not gladly. With regard to the duration of the tax, the Honourable Mr. Steel has put the case in an extremely fair way; namely, that if the Government finds itself in a position to make remissions of revenue hereafter, the question of the income tax should be put on the same footing, and receive the same consideration as any other question of remission of revenue. I quite accept that understanding, and endorse it. With regard to what has been said by the Honourable Mr. Mandlik on this point, however, and further as to the propriety of taxing house property, I will reserve my remarks until the amendments on the point, of which notice has been given by the Honourable Peári Mohan Mukerji, are brought forward; but, with regard to Section 29, I would point out that the section provides that the tax shall be payable at the time appointed in that behalf in or under this Act, leaving a discretion to the Government in framing the rules to prescribe in what instalments the tax shall be collected, and I may assure my honourable friend that this is one of the points which, on framing the rules, will receive the careful attention of the Government."

r. Hope. The Honourable Mr. *Hope* said:—"I had not intended to trouble the Council with any remarks on this occasion, but am obliged to do so, as my honourable friend Rao Saheb Mandlik has thought fit to refer to what I said on our former discussion as to the propriety of making the tax a permanent one. I regret that the aphorism that 'two of a trade can never agree' should receive a fresh illustration in the fact that the honourable Member and myself, who both of us, in one sense or another, may be taken to be representatives of the Western Presidency, are at issue on some points relating to the legislation before us. The honourable Member has been so good as to consider that my reference to Mr. Gladstone was not pertinent, because Mr. Gladstone, in the very debate from which I quoted his remarks, ended by advocating the duration of the tax for seven years only. I need scarcely say that, in a matter of that kind, I should be the last to pick out a particular sentence or particular view of any great statesman without considering his opinion as a whole. But I think it will be sufficient, on the present occasion, to say that, although Mr. Gladstone on that occasion advocated the passing of that measure for only seven years, just as Mr. Wilson, in this Council, advocated its operation for only five years, when he first brought an income tax into the financial system of the country, Mr. Gladstone has now found, by the operation of experience, that the expectation that the income tax would be a temporary measure has been delusive; and therefore, in advocating the permanent incorporation of direct taxation into the financial system of this country, I may say that I am only following in the footsteps of that great financier whom my honourable friend and I myself both agree in respecting. Another point to which I shall briefly allude is, that we cannot, at the present day, draw any profit from the example of what my friend called obsolete Indian princes. I am very much surprised to hear that Indian princes are considered to be obsolete."

The Honourable *Rao Saheb Vishvanath Narayan Mandlik* begged to explain that he had said "an obsolete Indian prince."

The Honourable Mr. *Hope* continued:—"I am much obliged for the correction. But still, I am afraid that if such a remark had fallen from his Excellency the Viceroy, or from one of the members of the Government in this Council, it might have been held to be of the very gravest political importance. I trust that it does not portend evil to the princes of India in the event of our native friends acquiring that larger share in the government of this country which they are so anxious to obtain. To pass to a more serious vein, I may point out why I laid stress on the fact that native princes of the present day are, at the present moment, levying taxation of this particular description. We do hear, on various occasions, of the oppression and abuses in their revenue systems, but as to direct taxation, though I have had considerable experience in Native States, I do not recollect a single case of the failure of their system, and it was in view of that fact I stated that their system of direct taxation was worthy of our imitation."

The Motion was put and agreed to.

Babu Peári Mohan Mukerji.

The Honourable *Peári Mohan Mukerji* moved that the words " and in each subsequent year " in Section 4 be omitted. He said : " The Honourable the Financial Member told the Council when introducing the Bill that the proposed imposition was necessary to meet an extraordinary emergency, and that ' there was but one year to be tided over.' I fail therefore to see the necessity of giving a permanent character to a measure of taxation which, in spite of the soundness of its principle, is very unpopular in this country by reason of its attendant evils. The necessity of limiting the duration of the measure is the greater, as the announcement of your Excellency's intention to appoint a Financial Commission has led the country to hope that several important questions connected with Indian finance would ere long be carefully sifted and satisfactorily settled. There can be no reasonable objection to a fiscal measure which seeks to make capitalists, professional gentlemen, gentlemen in the public and private services and tradespeople contribute their fair share of the cost of the administration ; but I humbly submit that it is wholly premature to declare at present that an income-tax should be levied in the proposed form and at the proposed rate for all time to come, when we have every expectation that, before the ensuing year comes to an end, the proposed Commission will have been enabled to show considerable gain by retrenchment of expenditure, by re-adjustment of Provincial contracts, and perhaps also by a revision of the import duties. The Honourable the Financial Member has very clearly pointed out that, if all direct taxation were abolished, the abolition of the cesses on land should follow as a matter of simple justice. Following up that reasoning, what justification, I ask, can there be for levying a cess of more than three per cent. from the poorest cultivator in the country and exempting from all direct taxation the trader or the money-lender who earns 499 rupees a year? The inquiries which your Excellency purposes to institute will enable your Excellency's Government at the end of a year to enact a more equitable measure of taxation ; one which will press equally on all classes of the community, excepting such as are too poor to bear the burden of direct taxation."

Rao Saheb Vishvanath Narayan Mandlik.

The Honourable *Rao Saheb Vishvanath Narayan Mandlik* said : " My Lord, my remarks on this Motion will be brief. I know that I am in a very small minority, but I wish to support the Motion of my honourable friend, first, because I have some remarks to make, but, secondly, and principally because it affords to me an opportunity of giving a personal explanation which otherwise, by the rules of this Council, I shall not be able to give. The Honourable Mr. Hope has advocated the linking together of two systems of taxation which are inconsistent with each other : the British system is entirely different from that under the Native Princes. A comparison is thus instituted between two incommensurable quantities. There are many excellent Native Princes who do not require any certificate from me. There are others whose own deeds will duly expose them if they are bad ; and they will suffer. But this is not the time nor the place to discuss the merits or demerits of the revenue systems of the Native States, and I deprecated such discussion in the few observations I submitted to this Council. That I honour Mr. Gladstone is not a new thing. About his merits all are agreed. I know he has not been able to repeal the income-tax in 1860, but the income-tax in England (so far as I have been able to verify my references in Hansard) is brought forward before the House of Commons, speaking generally, *pro formâ* (if one likes to say so) ; and it is annually voted upon ; so that the analogy of the English practice does not help us here in the least. As regards Mr. Gladstone's opinion about the income-tax, it is decisive. He says on the same occasion as follows :—

' The public feeling of its inequality is a fact most important in itself. The inquisition it entails is a most serious disadvantage. And the frauds to which it leads are an evil which it is not possible to characterise in terms too strong.'

" With this opinion before me, and with the evidence before this Council, and before the Committees of the House of Commons on Indian finance in 1871, 1872, and 1873, I take leave to say that, whilst I shall heartily support a measure which is required by the Government of India for its administration, as the Financial Member now says it is, for a limited period, I shall not be a party to support the proposal for a permanent Act on grounds which will not bear examination ; and it is in this view that I said *the* antiquated Prince, and in saying so I meant no

no slur on him or on any Prince whatever. I am quite prepared to do as I would be done by; and I think I could not place a higher standard of examination or criticism, before this Council, of any question whatsoever."

Sir A. Colvin.

The Honourable Sir *A. Colvin* said: "The honourable mover of the amendment has reminded me that in the speech I made when asking for leave to introduce this Bill I said that a year had to be tided over, and he has drawn from that the inference that if the ensuing year is tided over we shall have no further financial difficulties. I think he will see, if he refers to my speech, that when I made that statement I was speaking with special reference to the question of interference during their currency with the Provincial contracts. I had said that we had an extraordinary charge put upon us in connection with the measures for the defence of the country and the depreciation in the value of silver, part of which only would fall on us in the ensuing year. I added that in the ensuing year, for the reasons given, to touch the Provincial contracts was undesirable; but I was careful to add that the charges connected with the defence of the country would not reach their maximum in 1886-87, and that, whatever more we may hereafter require, we must in the ensuing year have about 700,000 *l.* from this tax. I was careful to say that we might hereafter want more; we should certainly not want less. I thought I had explained sufficiently that I was far from saying that our necessities would probably be limited to the term of one calendar year, but, on the contrary, that we are compelled to incur expenditure arising from difficulties more especially connected with silver, the duration of which we are not at present in a position to define, and that against those growing difficulties might be set any further increase to our revenues at the revision of the Provincial contracts, which it would be premature, for the reasons I gave, to touch at present. My honourable friend has proposed that the duration of the tax shall be limited to one year and not to all time to come. If, on the one hand, I have refrained from proposing that the tax should be of an age, and not for all time, on the other, I have certainly never dreamed of proposing that any tax shall be levied for all time to come; for the limitless hereafter. All that we can say, looking at the situation before us, is that on the horizon which can be covered by our eyes there does not appear that little cloud of relief to which my honourable friend is impatient to draw attention. Further I cannot go. There are, as is well known, very valid objections to introducing a measure of this sort for the limited term of one year. In the course of the caution which fell from the Honourable Mr. Evans as to watching carefully the machinery for assessing the tax, amongst other things he drew attention to the necessity for regularity in the order and mode of assessment, regularity in the necessity of which we completely concur, but which can only be attained by applying the same precautions and reasonable prospect of continuity in assessing this tax as are taken in respect of other measures for raising revenue. My honourable friend the mover of the amendment has made a comparison between the cess of 3 per cent. paid by the poorest cultivator and the exemption from all taxation of the trader or money-lender who earned 499 rupees per annum. I do not know whether in doing so it is his object to do away with this exemption, but in any case, the cultivator, I may remind him, pays his cess on his rent, not on his income. Speaking broadly, though not on that account inaccurately, I should say that the equivalent of what the cultivator pays as local rating in the form of cesses on his land is paid by the small tradesman in the form of municipal taxation or some local impost, and that in practice the one may be taken to balance the other. The man who is not assessed to the income-tax pays in either case in the form of a cess or of other local rate, or of a municipal tax. I do not think I have to say anything further with regard to this special amendment. I may repeat that our necessities are not bounded by the year immediately before us, and it is very desirable that we should do nothing to interfere with the regular and careful introduction of the Act, which will certainly be prejudiced if we were to let it be thought that it will be abandoned at the end of the year. To subject the whole community periodically to convulsion is obviously undesirable, and it is therefore objectionable to keep open the discussion and agitation as to the principles and merits of direct and indirect taxation by annually coming to this Council Chamber for the passing of a new Bill. Believing that there is no immediate probability of lightening the burden of taxation, I am strongly of

opinion that on the ground of the public convenience it is undesirable to put any limitation of time to the operation of this Bill. I have only to add with reference to the allusion which has been made to the possible revision of the import duties by the Committee which will be convened for the consideration of economies, that the proposed Committee will be a Committee to inquire into the possibility of diminishing expenditure, not of raising income; it will be a Committee to devise economies, not to advise upon financial policy. It is to be a special Committee of inquiry into expenditure, not of finance in its larger sense: and I judge it necessary to say this here, as, from his remarks, I gather that my honourable friend has somewhat misinterpreted the intention of Government in nominating a Committee."

Babu Peári Mohan Mukerji.

The Honourable *Peári Mohan Mukerji* said:—"I wish to point out that the cesses on land are in no way equivalent to the municipal taxes paid in towns. Even in rural villages the people have to pay the chaukidári-tax and other taxes which are equivalent to municipal taxes. The cesses on land are, properly speaking, direct taxes on income; and if the proposed tax is to be perpetuated it will perpetuate the existence of at least two unequal taxes in the country. What I submit is that, after the matter has been closely examined by the Commission, let there be a uniform and equitable tax throughout the country, and not different taxes affecting different classes of the community."

The motion was put, and negatived.

The Honourable *Peári Mohan Mukerji* also moved that for the words "five hundred" in section 5, clause (*j*), the words "one thousand" be substituted. He said:—"In moving this amendment I do not forget that, while the lowest taxable income in England is 150 *l.*, the cost of living there is three times as great as it is in this country, and that a maximum of exemption fixed in this country at 500 rupees is, therefore, a just limit according to the English standard of taxation. If I could be sure that no person whose income is less than 500 rupees would be placed under the operation of the measure, I should have no cause of complaint. But considering the position and character of the people, considering how powerless they are to resist an unjust assessment, and how a maximum limit of 500 rupees reduces itself in practical operation to a limit of 200 rupees or 300 rupees, I venture to hope that this Honourable Council will see the necessity of raising the minimum of taxable income to 1,000 rupees. I have no data before me enabling me to inform the Council what difference the proposed amendment will make in the aggregate outturn of the measure; but if it be deemed desirable that the tax-collector should not visit the houses of those who are unable to assert their rights and who can secure just exemption from taxation only at a heavy price, and that inquisition should be avoided at any cost, I submit that the minimum limit of taxable income should be raised to 1,000 rupees."

Sir A. Colvin.

The Honourable Sir *A. Colvin* said:—"In regard to this amendment, I do not think it will be necessary for me to detain the Council very long. But I may recall one consideration which may tend to mitigate to some extent the apprehension, which the honourable Member feels, that persons whose incomes are less than 500 rupees a year may run the risk of being assessed. I may, perhaps, be allowed to point out, in passing, that the difference between 500 rupees and 1,000 rupees is pretty large, and the precaution which the proposed amendment aims at is perhaps a little excessive if the object of my honourable friend is merely to prevent the inclusion in the registers of any person who should not be assessed at all. But, however this may be, the consideration to which I have referred will be found in the expression used by your Lordship in the opening of these debates when it was said that what we are engaged in doing was in adding an upper storey to a building which had been already commenced. Incomes between 500 rupees and 1,000 rupees with rare exceptions have for the last eight years been assessed under the license-tax. The lower storey will remain very much as we found it. There will be some re-adjustment of the rate of assessment between 500 rupees and 1,000 rupees, which will be caused by certain changes and modifications we have made with the object, in the case of these incomes, of giving greater relief. But I should imagine that during the last eight years men whose incomes are between 500 rupees and 1,000 rupees,

rupees, and who have been placed on the register, will find the chance of their assessments being increased very limited; while those whose incomes are less than 500 rupees have, it may be reasonably supposed, during the past eight years, been determined. All that we are doing with the lower storey is to open out a fresh door by which persons following certain other professions may be admitted, but with the great mass who have already tenanted it, or with those for whom it does not profess to find accommodation, we have practically no concern. Our object, moreover, in the introduction of the present Bill, is to bring in a larger income, and it would therefore need stronger reasons than that urged by my honourable friend to cause us to raise the assessable minimum. By doing so we should find ourselves practically cutting off at one end what we added at the other, and we should suffer proportionately. I cannot at present say precisely what the precise result would be to the yield of our proposed measure were we to adopt the amendment, but it would be considerable. I can assure my honourable friend, however, that so long as I have the honour to preside over the Financial Department, under whose auspices the proposed income tax will be worked, my attention will be given to the working of the Act, so as, as far as possible, to prevent its operating with injustice or hardship on the smaller incomes, and the classes of assessees the least capable of looking after themselves, classes for whom, if he will believe me, I can assure him I have as much sympathy as my honourable friend himself."

The motion was put, and negatived.

Babu Peári Mohan Mukerji.

The Honourable *Peári Mohan Mukerji* also moved that section 24 be omitted. He said :—" The income which owners of buildings in a city or village derive by letting the buildings on hire will come under assessment under Part IV. of the second schedule. To this provision I have no objection. But section 24 refers only to houses which are not let on hire and which are occupied by the owners themselves. It seeks to impose a tax not on an income actually derived but on an imaginary income which could be derived if the houses were let on hire. I confess I fail to appreciate the reasoning on which this provision is based. Buildings used by their owners as dwelling-houses yield no income whatever. In the case of poor descendants of families who were once rich, they do not afford even a criterion of the means of the occupiers. A provision to tax such buildings as sources of income is only incomprehensible to a community among whom living in one's own house is the general rule, and living in hired houses a rare exception. On the same reasoning might a demand be made for income-tax upon owners of steamboats, carriages and horses, of jewels and of other personal property capable of yielding income if let on hire. Apart, however, from the question of principle, the assessment of houses presents practical difficulties of no ordinary character. In most places there is no standard for determining the annual value of houses, and the assessments must, therefore, be most arbitrarily made. People will be subjected to no end of inquisition, hardship and harassment. The Cess Act of 1871 provided for the assessment of houses outside the limits of municipalities, but the work was found to be attended with so much difficulty to the assessor and oppression to the assessee that it was given up in despair. The amount assessed in these provinces in 1873-74 was 66,342 rupees, but it was at a cost of 66,942 rupees. In 1876, district-officers were requested to exercise their direct supervision in the work of assessment, because, observed the Bengal Government, 'left to the working of panchâyats and underlings, it may be a great oppression to the people, while the present results are anything but satisfactory.' In 1877, the Bengal Government observed in their Administration Report, 'the house-cess is not, however, suited to the circumstances of the country, and its abolition is contemplated.' When we have found it desirable to encourage thrift by exempting from taxation portions of salaries paid for securing deferred annuities, and to exempt owners of seagoing vessels by reason of the difficulty of the assessment of their profits, which are presumably enormous, and with reference to which, by the way, the Madras Chamber of Commerce, after pointing out the difficulty of assessment, claimed only allowances for losses incurred on some voyages, I fail to see the justice of bringing under the operation of the Act a description of property which yields no income to the owner, and the assessment of which must necessarily be oppressive and inequitable. I submit, my Lord, that every

argument bearing upon the question points to the justice and expediency of exempting from taxation all houses not let on hire."

Mr. Evans. The Honourable Mr. *Evans* said:—"I wish to say one word on this amendment. I do not agree with the honourable Member who has just spoken on the principle of the amendment, but there is no doubt some force in what he said in regard to the immense difficulty of assessing Hindu family dwelling-houses. So great was the difficulty felt in Calcutta that the municipality, having found it impossible to ascertain what such houses would let for, have actually insisted on assessing the rate at a percentage on the cost of the building, seeing that they could not do it in any other way. They had been pulled up by the High Court for going beyond their powers, although there is no appeal from anything done under the Act. It will be for the Honourable the Financial Member to consider what instructions he should give regarding the assessment of such houses in villages for which tenants cannot be found at any price; and as to which it will be very difficult to find the value at which they may be reasonably expected to let."

Rao Saheb Vishvanath Narayan Mandlik. The Honourable *Rao Saheb Vishvanath Narayan Mandlik* said:—"My Lord, in my dissent recorded at the foot of the Select Committee's Report, I had objected to the application of this section except to large towns. I have since made particular inquiries, and I think some of the grounds which my honourable friend, Bábú Peári Mohan, has urged are applicable even to very large towns, such as Puna, for instance. There are in such towns large buildings which have cost thousands and even lákhs, and which can be had, some of them, for 30 or 40 rupees a month. If the first cost of a building is to be taken as a measure for taxation, the new tax will be simply ruinous. Seeing that, in municipalities, taxation is already at too high a figure (something over five crores is, I believe, the total of municipal and local taxation in 1882-83), I think it is very desirable, if the Honourable the Financial Member can see his way to do so, to omit this clause altogether, as he has already done in the case of agricultural buildings and the houses of landholders and tenants. And seeing that house property is already taxed in Bombay at 15-12 rupees per cent., and under the Calcutta Municipal Act of 1876 the maximum rates amount to 21 per cent., I think it very desirable that the Financial Department should act on the principle, already recognised in this Bill, that when a man is once taxed he should not be subjected to another tax in the same capacity."

Sir A. Colvin. The Honourable Sir *A. Colvin* said:—"The section to which my honourable friend, the mover of the amendment, has taken objection is no new section. It has found its place in all preceding Bills of this kind, and the principle of rating which has been adopted is the principle prevailing in England, and hitherto recognised in India; so that we have in our favour every precedent, as far as I know, without exception. And in spite of what my honourable friend has said I can see no reason for not levying a tax upon the assumed rental of houses occupied by their owners, which appear to me as liable to assessment as incomes derived from any other form of property. If a man invests his capital in house property, I fail to see why, though he occupy such house himself, the income which he derives, indirectly though it may appear to be, from his investment, should not be subjected to assessment. The Honourable Mr. Evans has taken exception to the difficulty of assessing a particular kind of house property. That appears to me a fair point to bring home to the Government, and it will receive careful consideration in framing the rules. I have not the least doubt that his Honour the Lieutenant Governor will give this point his careful consideration. But, although there may be some difficulty in working the rules, I do not think we shall be justified in adding another exemption to those already contained in the Bill. Where a rule of assessment is impracticable, and has, as in the shipping case just referred to, been proved impracticable, we may well be expected to abandon it; but a mere difficulty of working must be met, not by exemption, but by care in administration. If the difficulty alluded to by my honourable friend Mr. Evans is connected with the joint property of zamíndárs living upon their estates, such property is expressly exempted under the Bill, inasmuch as it is a building which the receiver of rent, by reason of his connection with the land, requires as a dwelling-house."

The

The Honourable Mr. *Evans*.] "I do not mean the dwelling-houses of zamíndárs, but of mahájans."

The Honourable Sir *A. Colvin* continued:—"Then the difficulty must be provided for in the rules, and we have to thank our honourable colleague for having warned us of it. As to the exemption asked for, in spite of the experiences quoted by my honourable friend the mover, which do not refer to measures similar to that now before us, but to a local law, with the working of which I may admit I am not familiar; in spite, I say, of experiences which seem to me to refer to other circumstances, and to be not very much to the point in view of the experience gained from other parts of India, we should certainly not be justified in making the exemption asked for. I have never hitherto heard that in Bengal the former Income Tax Acts were worked so objectionably under this head as to demand exemption of houses occupied by their owners. From other provinces no complaints were made. It is matter not of principle but of practice. The ascertainment of the letting value is matter for the rules to be made under the Act, but I cannot admit that this class of houses is to be assumed, for the purposes of the proposed Act, to have no letting value at all. We have universal precedent both in England and in India in regard to the assessment of house property, while here in India, in the hitherto working of measures of this nature, this has not been a difficulty brought to our notice as in any way demanding exemption. So far as difficulties of assessment are concerned, the objection is one which requires our attention, and in framing the rules great care will be taken to avoid the injustice and annoyance which the honourable Member anticipates."

The motion was put, and negatived.

The Honourable Sir *A. Colvin* then moved that the Bill, as amended, be passed.

The motion was put, and agreed to.

AN ACT FOR IMPOSING A TAX ON INCOME DERIVED FROM SOURCES OTHER THAN AGRICULTURE.

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ACT No. II., OF 1886.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(*Received the Assent of the Governor General on the 29th January* 1886.)

An ACT for imposing a TAX on INCOME derived from Sources other than Agriculture.

WHEREAS it is expedient to impose a tax on income derived from sources other than Agriculture; it is hereby enacted as follows:

CHAPTER I.

PRELIMINARY.

Extent and commencement.

1.—(1.) This Act extends to the whole of British India, and applies also, within the dominions of Princes and States in India in alliance with Her Majesty, to British subjects in those dominions who are in the service of the Government of India, or of a local authority established in the exercise of the powers of the Governor General in Council in that behalf; and

(2.) It shall come into force on the First day of April 1886.

(3.) Any power conferred by this Act to make rules, or to issue orders, may be exercised at any time after the passing of this Act; but a rule or order so made or issued, shall not take effect until the Act comes into force.

Repeal.

2.—On and from the day on which this Act comes into force, the enactments specified in the first Schedule to this Act shall be repealed, except as to fees payable, and other sums due under those enactments, and the mode of recovering the same.

Definitions.

3.—In this Act, unless there is something repugnant in the subject or context,—

(1.) "Local Authority" means any municipal committee, district board, body of port commissioners or other authority legally entitled to, or entrusted by the Government with, the control or management of any municipal or local fund:

(2.) "Company" means an association carrying on business in British India, whose stock or funds is or are divided into shares, and transferable, whether the company is incorporated or not, and whether its principal place of business is situate in British India or not:

(3.) "Prescribed" means prescribed by the Governor General in Council by notification in the Gazette of India, or by the Governor General in Council, or a Local Government, by rules made under this Act:

(4.) "Salary" includes allowances, fees, commissions, perquisites or profits received, in lieu of or in addition to a fixed salary, in respect of an office or employment of profit; but, subject to any rules which may be prescribed in this behalf, it does not include travelling, tentage, horse or sumptuary allowance, or any other allowance granted to meet specific expenditure:

(5.) "Income" means income and profits accruing and arising or received in British India, and includes, in the case of a British subject within the dominions of a Prince or State in India in alliance with Her Majesty, any salary, annuity, pension, or gratuity payable to that subject by the Government or by a local authority established in the exercise of the powers of the Governor General in Council in that behalf:

(6.) "Magistrate"

(6.) "Magistrate" means a Presidency magistrate, or a magistrate of the first or second class:

(7.) "Person" includes a firm and a Hindu undivided family:

(8.) "Defaulter" includes a company or firm making default under this Act:

(9.) "Collector" means the chief officer in charge of the revenue-administration of a district, and, in a presidency town, any officer whom the Local Government, by notification in the official Gazette, may, by name or by virtue of his office, appoint to be a collector for the purposes of this Act; in the case of a company or firm, it means the collector, as here defined, of the district or presidency town in which its principal place of business in British India is situate; and, in the case of any other person chargeable under this Act, it means the collector, defined as aforesaid, of the district or presidency town in which the person has his residence:

(10.) "Principal Officer," used with reference to a local authority or a company, or any other public body or association not being a local authority or company, means—

(*a*) The secretary, treasurer, manager or agent of the authority, company, body, or association; or

(*b*) Any person connected with the authority, company, body, or association upon whom the collector has caused a notice to be served of his intention of treating him as the principal officer thereof; and

(11.) "Part" means a part of the second Schedule to this Act.

CHAPTER II.

LIABILITY TO TAX.

Incomes liable to the tax.

4.—Subject to the exceptions mentioned in the next following section, there shall be paid, in the year beginning with the first day of April 1886, and in each subsequent year, to the credit of the Government of India, or as the Governor General in Council directs, in respect of the sources of income specified in the first column of the second Schedule to this Act, a tax at the rate specified in that behalf in the second column of that Schedule.

Exceptions.

5.—(1.) Nothing in Section 4 shall render liable to the tax—

(*a*) Any rent or revenue derived from land which is used for agricultural purposes, and is either assessed to land revenue, or subject to a local rate, assessed and collected by officials of the Government, as such; or

(*b*) Any income derived from—

(i.) Agriculture, or

(ii.) The performance by a cultivator or receiver of rent-in-kind of any process ordinarily employed by a cultivator or receiver of rent-in-kind, to render the produce raised or received by him fit to be taken to market, or

(iii.) The sale by a cultivator or receiver of rent-in-kind of the produce raised or received by him, when he does not keep a shop or stall for the sale of such produce; or

(*c*) Any building owned and occupied by the receiver of the rent or revenue of any such land as is referred to in clause (*a*), or by the cultivator, or the receiver of rent-in-kind, of any land with respect to which or the produce whereof any operation mentioned in clause (*b*) is carried on:

Provided that the building is on or in the immediate vicinity of the land, and is a building which the receiver of the rent or revenue, or the cultivator or the receiver of the rent-in-kind, by reason of his connection with the land, requires as a dwelling-house, or as a store-house, factory, or other out-building; or

(*d*) Any profits of a shipping company incorporated or registered out of British India, and having its principal place of business out of India, and its ships ordinarily engaged in seagoing traffic out of Indian waters; or

(*e*) Any income derived from property solely employed for religious or public charitable purposes; or

(*f*) Any income which a person enjoys as a member of a company, or of a firm, or of a Hindu undivided family when the company or the firm, or the family, is liable to the tax; or,

(*g*) Subject to any conditions and restrictions which may be prescribed in this behalf, such portion, not exceeding one-sixth of the income in respect whereof a person would, but for this exception, be chargeable under this Act, as is deducted from the salary of the person under the authority, or with the permission of the Government, for the purpose of securing a deferred annuity to him, or a provision to his wife, or children, after his death, or is paid by the person to an insurance company in respect of an insurance or deferred annuity on his own life, or on the life of his wife; or

(*h*) Any interest on stock-notes; or

(*i*) The salary of any officer, warrant officer, non-commissioned officer or private of Her Majesty's Forces, or of Her Majesty's Indian Forces, who is not in an employment which, according to the ordinary practice, is held indifferently by military persons and civilians, and whose salary does not exceed five hundred rupees per mensem; or

(*j*) Any person whose income from all sources is less than five hundred rupees per annum.

(2.) An officer or servant is not exempt from taxation under this Act by reason only of the income of his employer being exempt therefrom under this section.

Power to make exemptions.

6.—The Governor General in Council may, by notification in the Gazette of India, exempt from liability to the tax, the whole, or any part of the income of any class or tribe, or of any persons residing in any specified area, and may, by a like notification, revoke the exemption.

CHAPTER III.

ASSESSMENT AND COLLECTION.

A.—Salaries and Pensions.

Mode of payment in case of Government officials and pensioners.

7. In the case of a person receiving any salary, annuity, pension, or gratuity from the Government, any sum payable to him by the Government in respect of the salary, annuity, pension, or gratuity shall be reduced by the amount of the tax to which he is liable under Part I. in respect thereof.

Mode of payment in case of servants and pensioners of local authorities.

8—(1.) In the case of a person receiving any salary, annuity, pension, or gratuity from a local authority, the tax to which he is liable under Part I. shall, at the time of the payment to him of any of the salary, annuity, pension, or gratuity, be deducted therefrom by the officer whose duty it is to make the payment, and be paid by that officer within the prescribed time to the credit of the Government of India, or as the Governor General in Council directs.

(2.) If that officer does not deduct and pay the tax as required by Sub-section (1), he shall, without prejudice to any other consequences which he may incur, be deemed to be personally in default in respect of the tax.

(3.) If, when any payment is made, the tax is from any cause not deducted, it may, and on the requisition of the collector shall, be deducted when any salary, annuity, pension, or gratuity is subsequently paid to the person liable to the tax.

(4.) The

(4.) The power to deduct under this section shall be without prejudice to any other mode of recovery.

Mode of payment in case of servants and pensioners of companies and private employers.

9.—(1.) The tax to which a person receiving any salary, annuity, pension, or gratuity from a company, or from any other public body or association not being a local authority or company, or from a private employer, is liable under Part I., shall be payable by him at the time when any portion of the salary, annuity, pension, or gratuity is paid to him.

(2.) The collector may, subject to such conditions as may be prescribed, enter into an arrangement with any company, or any such body or association as aforesaid, or any private employer, with respect to the recovery on behalf of the Government by the company, body, association, or employer of the tax to which any person receiving any salary, annuity, pension, or gratuity from the company, body, association, or employer is liable under Part I.

Annual return by principal officer of company or association.

10.—The principal officer of every local authority, and of every company, and of every other public body or association not being a local authority or company, shall prepare, and, on or before the fifteenth day of April in each year, deliver, or cause to be delivered to the collector, in the prescribed form, a return in writing showing—

(*a*) The name of every person who is receiving at the date of the return any salary, annuity, or pension, or has received during the year ending on that date any gratuity, from the authority, company, body or association, as the case may be, and the address of every such person so far as it is known; and

(*b*) The amount of the salary, annuity, pension, or gratuity so received by each such person, and the time at which the same becomes payable or, in the case of a gratuity, was paid.

B.—Profits of Companies.

Annual statement of net profits.

11.—The principal officer in British India of every company shall prepare, and, on or before the fifteenth day of April in each year, deliver, or cause to be delivered to the collector, a statement in writing signed by him of the net profits made in British India by the company during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then of the net profits so made during the year ending on the said thirty-first day of March.

Power to require officers of companies to produce accounts.

12.—(1.) If the collector has reason to believe that a statement delivered under Section 11 is incorrect or incomplete, he may cause to be served on the principal officer of the company a notice requiring him, on or before a date to be therein mentioned, either to attend at the collector's office and produce, or to cause to be there produced, for the inspection of the collector such of the accounts of the company as refer to the year to which the statement relates, and as are in his possession or power.

(2.) On the day specified in the notice, or as soon afterwards as may be, the collector shall, by an order in writing, determine the amount at which the company shall be assessed under Part II., and the time when the amount shall be paid, and, subject to the provisions of this Act, that amount shall be payable accordingly.

C.—Interests on Securities.

Mode of payment of tax on interest on securities.

13.—(1.) The tax payable under Part III. in respect of the interest on any of the securities mentioned in that Part shall, at the time when and place where any of the interest is paid, be deducted therefrom by the person empowered to pay the interest, and be paid by that person within the prescribed time to the credit of the Government of India or as the Governor General in Council directs.

(2.) If that person does not deduct and pay the tax as required by Sub-section (1), he shall, without prejudice to any other consequences which he may incur, be deemed to be personally in default in respect of the tax.

D.—Other Sources of Income.

Ordinary Mode of Assessment and Collection.

Collector to determine persons chargeable.

14.—The collector shall, from time to time, determine what persons are chargeable under Part IV., and the amount at which every person so chargeable shall be assessed.

Mode of making assessment.

15.—(1.) The assessment shall be made upon the income accruing to the person during the year ending on the day on which his accounts have been last made up, or, if his accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then upon the income accruing to him during the year ending on the said thirty-first day of March.

(2.) In the case of a person for the first time becoming chargeable, under Part IV., within the year for which the assessment is to be made, or within the year next before that year, the assessment shall be made according to an average of his income for such period as the collector, having regard to the circumstances, directs.

List of incomes under two thousand rupees.

16.—(1.) The collector shall in each year prepare a list of the persons chargeable under Part IV. whose annual income does not, in his opinion, amount to two thousand rupees.

(2.) The list shall be in the prescribed language or languages, and shall state in respect of every such person the following particulars, namely:

(*a*) His name, and the source or sources of the income in respect of which he is chargeable;

(*b*) The year or portion of the year for which the tax is to be paid;

(*c*) The place or places, district or districts, where the income accrues;

(*d*) The amount to be paid; and

(*e*) The place where, and the person to whom, the amount is to be paid.

(3.) The list shall be filed in the office of the collector, with a notification prefixed thereto requiring every person mentioned in the list to pay, within sixty days from a date specified in the notification, the amount stated in the list as payable by him, or to apply to the collector, within thirty days from that date, to have the assessment reduced or cancelled.

(4.) The list so filed shall be open to inspection at all reasonable times without any payment.

(5.) The list, or such part or parts thereof as the collector thinks fit, with the notification prefixed thereto, shall be further published in such manner as the Local Government may consider to be best adapted for giving information to all persons concerned.

(6.) The list to be prepared in each year may be the list of the previous year, with such amendments as the collector finds to be necessary.

Notices to persons with incomes of two thousand rupees and upwards.

17.—In the case of a person chargeable under Part IV., whose annual income is, in the collector's opinion, two thousand rupees or upwards, the collector shall cause a notice to be served on him stating the particulars (*a*) to (*e*), both inclusive, mentioned in Section 16, Sub-section (2), and requiring him to pay, within sixty days from a date specified in the notice, the amount stated therein as payable by him, or to apply to the collector, within thirty days from that date, to have the assessment reduced or cancelled.

18.—(1.) Notwithstanding

Power to modify ordinary procedure in special cases.

18.—(1.) Notwithstanding anything contained in Section 16 or Section 17, the Local Government may make rules—

(*a*) Authorising or directing a collector in specified cases, or classes of cases, to include in a list under Section 16 any person who is liable to be served with a notice under Section 17, instead of, or in addition to, serving him with such a notice, and to serve a notice under Section 17 on any person liable to be included in a list under Section 16, instead of, or in addition to, including him in such a list;

(*b*) Authorising the collector in any specified town or place to cause a general notice to be published, inviting every person chargeable under Part IV. to deliver, or cause to be delivered, to the collector, within a time specified in the notice, a return, in a prescribed form published with the notice, of his income during the year ending on the day on which his accounts have been last made up, or, if his accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then of his income during the year ending on the said thirty-first day of March;

(*c*) Authorising the collector in any presidency-town to cause a special notice to be served on any person chargeable under Part IV., inviting him to deliver, or cause to be delivered, to the collector, within a time specified in the notice, a return, in a prescribed form accompanying the notice, of his income, computed in the manner described in Clause (*b*) of this sub-section.

(2.) A return delivered under rules made under Clause (*b*) or Clause (*c*) of Sub-section (1) must state the period during which the income has actually accrued; and there must be added at the foot thereof a declaration that the income shown in the return is truly estimated on all the sources therein mentioned, that it has actually accrued within the period therein stated, and that the person making the return has no other source of income.

(3.) When a collector, authorised in that behalf by rules made under Clause (*b*) or Clause (*c*) of Sub-section (1), has caused a notice to be published or served under those rules, he shall not include any person to whom the notice applies in any list made under Section 16, or serve a notice on him under Section 17 until the time specified in the notice published or served under those rules has expired.

(4.) Rules made under this section shall be published in the official Gazette.

Time and place of payment.

19.—Every amount specified as payable in a list or notice prepared or served under Section 16 or Section 17 shall be paid within the time, at the place, and to the person, mentioned in the list or notice.

Trustees, Agents, Managers, and Incapacitated Persons.

Trustees, guardians, and committees of incapacitated persons to be charged.

20.—A person being the trustee, guardian, curator, or committee of any infant, married woman, subject to the law of England, lunatic or idiot, and having the control of the property of the infant, married woman, lunatic, or idiot, whether the infant, married woman, lunatic, or idiot resides in British India or not, shall, if the infant, married woman, lunatic, or idiot is chargeable under Part IV., be chargeable under that part in like manner and to the same amount as the infant would be chargeable if he were of full age, or the married woman if she were sole, or the lunatic or idiot if he were capable of acting for himself.

Non-residents to be charged in names of their agents.

21.—Any person not resident in British India, whether a subject of Her Majesty or not, being in receipt, through an agent, of any income chargeable under Part IV., shall be chargeable under that part in the name of the agent in the like manner and to the like amount as he would be chargeable if he were resident in British India and in direct receipt of that income.

Receivers, managers, courts of wards, administrators general, and official trustees.

22.—Receivers or managers appointed by any court in India, the courts of wards, the Administrators General of Bengal, Madras, and Bombay, and the official trustees, shall be chargeable under Part IV. in respect of all income officially

officially in their possession, or under their control, which is liable to assessment under that part.

Power to retain duties charged on trustees, &c.

23.—When a trustee, guardian, curator, committee, or agent is, as such, assessed under Part IV.,

or when a receiver or manager appointed as aforesaid, a Court of Wards, an Administrator General or an official trustee, is assessed under that part in respect of income officially received,

the person or court so assessed may, from time to time, out of the money coming to his or its possession as trustee, guardian, curator, committee, or agent, or as receiver, manager, Court of Wards, Administrator General or official trustee, retain so much as is sufficient to pay the amount of the assessment.

Occupying Owners.

Provision for tax on occupying owners.

24.—(1.) Where a building is occupied by its owner, it shall be deemed a source of income within the meaning of this Act, and, if liable to be assessed under this Act, shall be assessed at five-sixths of the gross annual rent at which it may reasonably be expected to let, and, in the case of a dwelling-house, may be expected to let unfurnished.

(2.) "Owner," as used in this section with reference to a building, means the person who would be entitled to receive the rent of the building if the building were let to a tenant.

CHAPTER IV.

Revision of Assessment.

Petition to collector against assessment under Part IV.

25.—(1.) Any person objecting to the amount at which he is assessed, or denying his liability to be assessed, under Part IV., may apply by petition to the collector to have the assessment reduced or cancelled.

(2.) The petition shall ordinarily be presented within the period specified in the notification prefixed to the list filed under Section 16, or in the notice served under Section 17, as the case may be. But the collector may receive a petition after the expiration of that period if he is satisfied that the objector had sufficient cause for not presenting it within that period.

(3.) The petition shall, as nearly as circumstances admit, be in the form contained in the Third Schedule to this Act, and the statements contained in the petition shall be verified by the petitioner or some other competent person in the manner required by law for the verification of plaints.

Hearing of petition.

26.—The collector shall fix a day and place for the hearing of the petition, and on the day and at the place so fixed, or on the day and at the place, if any, to which he has adjourned the hearing, shall hear the petition, and pass such order thereon as he thinks fit.

Petition to Commissioner for revision.

27.—Subject to the control of the Local Government, the Commissioner of the division, on the petition of any person deeming himself aggrieved by an order under Section 12, Sub-section (2), or Section 26, shall, if the amount of the assessment to which the petition relates is two hundred and fifty rupees or upwards, and may, in his discretion, if the amount of the assessment is less than two hundred and fifty rupees, call for the record of the case, and pass such order thereon as he thinks fit.

Power to summon witnesses, &c.

28.—The collector or Commissioner may, for the purpose of enabling him to determine how the petitioner, or the company which he represents, should be assessed, summon and enforce the attendance of witnesses and compel them to give evidence, and compel the production of documents, by the same means, and, as far as possible, in the same manner, as is provided in the case of a civil court by the Code of Civil Procedure: XIV. of 1882.

Provided that the collector or Commissioner shall not call for any evidence except at the instance of the petitioner, or in order to ascertain the correctness of facts alleged by him.

CHAPTER V.

Recovery of Arrears of Tax.

Tax when payable.

29. The tax chargeable under this Act shall be payable at the time appointed in that behalf in or under this Act, or, if a time is not so appointed, then on the first day of June in each year.

Mode and time of recovery.

30.—(1.) In any case of default under this Act the collector, in his discretion, may recover a sum not exceeding double the amount of the tax, either as if it were an arrear of land revenue, or by any process enforceable for the recovery of an arrear of any municipal tax or local rate imposed under any enactment for the time being in force in any part of the territories administered by the Local Government to which he is subordinate, or may pass an order that a sum not exceeding double that amount shall be recovered from the defaulter:

Provided that, where a person has presented a petition under Section 25, such sum shall not be recoverable from him unless, within thirty days from the passing of the order on the petition, he fails to pay the amount, if any, required by that order.

(2.) The Local Government may direct by what authority any powers or duties incident under any such enactment as aforesaid to the enforcement of any process for the recovery of a municipal tax or local rate shall be exercised or performed when that process is employed under Sub-section (1.) for the recovery of the tax chargeable under this Act.

(3.) An order, passed by the collector under Sub-section (1.), shall have the force of a decree of a civil court in a suit in which the Government is the plaintiff, and the defaulter is the defendant; and the order may be enforced in manner provided by the Code of Civil Procedure for the enforcement of decrees for money; and the procedure, under the said code, in respect of the following matters, namely,—

XIV. of 1882.

(*a*) Sales in execution of decrees;

(*b*) Arrest in execution of decrees for money;

(*c*) Execution of decrees by imprisonment;

(*d*) Claims to attached property, and

(*e*) Execution of decrees out of the jurisdiction of the courts by which they were passed,

shall apply to every execution issued for levying the sum mentioned in the order; save that all the powers and duties conferred and imposed by the said code upon the court shall be exercised and discharged by the collector by whom the order has been made, or to whom a copy thereof has been sent for execution according to the provisions of the said code, Sections 223 and 224.

(4.) The Local Government may direct, with respect to any specified area, that the tax chargeable under this Act shall be recovered therein, with, and as an addition to, any municipal tax or local rate, by the same person, and in the same manner as the municipal tax or local rate is recovered.

(5.) No proceedings for the recovery of any sum payable under this Act shall be commenced after the expiration of three months from the last day of the year in respect of which the sum is payable.

CHAPTER VI.

Supplemental Provisions.

Composition.

Agreements for composition.

31.—(1.) If a company or person desires to compound for the tax assessable under Part II. or Part IV., as the case may be, the collector may, subject to such rules as may be prescribed in this behalf, agree with the company or person for a composition for the tax on such terms and for such period as he thinks fit.

 (2.) The

(2.) The agreement shall provide for the payment, in each year of the period comprised in the agreement, of the amount of the composition; and that amount shall be recoverable in the same manner and by the same means as any other assessment made under Part II. or Part IV., as the case may be.

Receipts.

Receipts and their contents.

32.—When any money is paid under this Act to the collector, or is recovered thereunder by him, he shall give a receipt for the same, specifying:

(*a*) The date of the payment or recovery of the money;

(*b*) The amount paid or recovered;

(*c*) The person who was liable to the tax. and the source or sources of income in respect of which the tax was payable;

(*d*) The year or part of the year for which the tax was payable;

(*e*) The place or places, district or districts, where the income accrues; and

(*f*) Such other particulars, if any, as may be prescribed.

Amendment of Assessment.

Amendment of assessment.

33.—If a company or person assessed under Part II. or Part IV. ceases to carry on the trade or business in respect whereof the assessment was made, or if any such person dies or becomes insolvent before the end of the year for which the assessment was made, or if any such company or person is, from any other specific cause, deprived of or loses the income on which the assessment was made, then the company or person, or its or his representative in interest, may apply to the collector during or within three months after the end of the year, and the collector, on proof to his satisfaction of any such cause as aforesaid, shall amend the assessment as the case may require, and refund such sum, if any, as has been overpaid.

Penalties.

Failure to make payments or deliver returns or statements.

34.—(1.) If a person fails—

(*a*) to deduct and pay any tax as required by Section 8, Sub-section (1), or Section 13, Sub-section (1), or

(*b*) to deliver or cause to be delivered to the collector in due time the return or statement mentioned in Section 10 or Section 11, or

(*c*) to produce, or cause to be produced, on or before the date mentioned in a notice under Section 12, such accounts as are referred to in the notice,

he shall, on conviction before a magistrate, be punishable with fine which may extend to ten rupees for every day during which the default continues.

(2.) The Commissioner of the Division may remit wholly or in part any fine imposed under this section.

False statement in declaration.

35.—If a person makes a statement in a declaration mentioned in Section 18, Sub-section (2), which is false, and which he either knows or believes to be false or does not believe to be true, he shall be deemed to have committed the XLV. of 1860. offence described in Section 177 of the Indian Penal Code.

Prosecution to be at instance of collector.

36.—A person shall not be proceeded against for an offence under Section 34 or Section 35, except at the instance of the collector.

Sections 193 and 228 of Penal Code to apply to proceedings.

37.—Any proceeding under Section 12 or Chapter IV. of this Act shall be deemed to be a "judicial proceeding" within the meaning of Sections 193 and 228 of the Indian Penal Code. XLV. of 1860.

Power

Power to make Rules.

Power to make rules.

38 (1.)—The Governor General in Council may make rules consistent with this Act for ascertaining and determining income liable to assessment, for preventing the disclosure of particulars contained in documents delivered or produced with respect to assessments under Part IV., and, generally, for carrying out the purposes of this Act, and may delegate to a Local Government the power to make such rules so far as regards the territories subject to that Government.

(2.) In making a rule for preventing the disclosure of any particulars referred to in Sub-section (1), the Governor General in Council may direct that a public servant committing a breach of the rule shall be deemed to have committed an offence under Section 166 of the Indian Penal Code.

XLV. of 1860.

(3.) But a person committing any such offence shall not be liable to be prosecuted therefor without the previous sanction of the Local Government.

(4.) Rules made under this section shall be published in the official Gazette.

Miscellaneous.

Bar of suits in civil court.

39.—No suit shall lie in any civil court to set aside or modify any assessment made under this Act.

Exercise of powers of collector and Commissioner.

40.—All or any of the powers and duties conferred and imposed by this Act on a collector or on a Commissioner of Division may be exercised and performed by such other officer or person as the Local Government appoints in this behalf.

Obligation to furnish information respecting lodgers and employés.

41.—An officer or person exercising all or any of the powers of a collector under this Act may, by notice, require any person to furnish a list, in the prescribed form, containing, to the best of his belief—

(*a*) the name of every inmate or lodger resident in any house used by him as a dwelling house or let by him in lodgings;

(*b*) the name of every other person receiving salary or emoluments amounting to forty-one rupees ten annas and eight pies per mensem, or five hundred rupees per annum, or upwards, employed in his service, whether resident in any such house as aforesaid or not; and

(*c*) the place of residence of such of those persons as are not resident in any such house, and of any inmate or lodger in any such house who has a place of residence elsewhere at which he is liable under this Act to be assessed, and who desires to be assessed at that place.

Trustees and agents to furnish information as to beneficiaries and principals.

42.—An officer or person exercising all or any of the powers aforesaid may, by notice, require any person whom he has reason to believe to be a trustee, guardian, curator, committee, or agent, to deliver or cause to be delivered, a statement of the names of the persons for or of whom he is trustee, guardian, curator, committee, or agent.

Trustees, &c. to furnish information as to income.

43.—An officer or person exercising all or any of the said powers may, by notice, require a trustee, guardian, curator, committee, or agent, or a receiver or manager appointed by any court in India, or a court of wards, administrator general or official trustee, to furnish such returns of income liable to assessment under Part IV. as may be prescribed.

Obligation to furnish other information.

44.—An officer or person exercising all or any of the said powers may, at the instance of any person respecting whose assessment or the amount thereof any doubt exists, require any person to furnish such information as he deems to be necessary for the purpose of ascertaining facts relevant to the assessment or its amount.

 45.—A person

Sections 176 and 177 of Penal Code to apply to requisitions for information.

45.—A person required to furnish any information under Section 41, Section 42, Section 43, or Section 44, shall be legally bound to furnish the same in such manner and within such time as may be specified in the requisition for the information.

Service of notices.

46. (1.)—A notice under this Act may be served on the person therein named either by a prepaid letter addressed to the person and registered under Part III. of the Indian Post Office Act, 1866, or by the delivery or tender to him of a copy of the notice.

XIV. of 1866.

(2.) If a notice is served by registered letter, it shall be presumed to have been served at the time when the letter would be delivered in the ordinary course of post, and proof that the letter was properly addressed and put into the post, shall be sufficient to raise the presumption that the notice was duly served at that time.

(3.) If the notice is to be served otherwise than by registered letter, the service shall, whenever it may be practicable, be on the person named in the notice, or, in the case of a firm, on some member thereof, or, in the case of a Hindu undivided family, on the manager of the joint estate of the family;

(4.) But when the person, member or manager cannot be found, the service may be made on any adult male member of his family residing with him; and if no such adult male member can be found, the serving officer shall fix the copy of the notice on the outer door of the house in which the person, firm or family therein named, ordinarily resides or carries on business.

Power to declare principal place of business or residence.

47. (1.)—When a company or firm has several places of business in territories subject to different Local Governments, the Governor General in Council may declare which of those places shall, for the purposes of this Act, be deemed to be the principal place of business.

(2.) When a company or firm has several places of business in the territories subject to a single Local Government, that Government may declare which of them shall, for the purposes of this Act, be deemed to be the principal place of business.

(3.) When a person has several places of residence in territories subject to different Local Governments, the Governor General in Council may declare which of those places shall, for the purposes of this Act, be deemed to be his residence.

(4.) When a person has several places of residence in the territories subject to a single Local Government, that Government may declare which of those places shall, for the purposes of this Act, be deemed to be his residence.

(5.) The powers given by this section may be delegated to, and exercised by, such officers as the Governor General in Council or the Local Government, as the case may be, appoints in this behalf.

Saving in favour of payers of pándharí and capitation taxes.

48.—Where a person is in respect of any period liable to the tax under this Act he shall not in respect of that period be assessed to the pándharí tax levied in the Central Provinces under Act XIV. of 1867, or to the capitation tax, or the land rate in lieu thereof, levied in British Burma under the Burma Land and Revenue Act, 1876.

II. of 1876.

Indemnity.

49.—Every person deducting, retaining, or paying any tax in pursuance of this Act, or of any arrangement under Section 9, Sub-section (2), in respect of income belonging to another person, is hereby indemnified for the deduction, retention, or payment thereof.

Powers exerciseable from time to time.

50.—All powers conferred by, or conferable under, this Act may be exercised from time to time as occasion requires.

THE FIRST SCHEDULE.

ENACTMENTS REPEALED.—(*See* Section 2.)

ACTS of the Governor General in Council.

Number and Year.	Short Title.	Extent of Repeal.
Act No. II. of 1878 -	The Northern India License Act, 1878 - - -	So much as has not been repealed.
Act No. VI. of 1880 -	The Indian License Acts Amendment Act, 1880 -	The whole.

ACTS of the Governor of Fort St. George in Council.

Number and Year.	Short Title.	Extent of Repeal.
Act No. III. of 1878	The Madras License Act, 1878 - - - - -	So much as has not been repealed.
Act No. III. of 1880	An Act to amend Madras Act III. of 1878, as amended by Act VI. of 1880.	The whole.

ACT of the Governor of Bombay in Council.

Number and Year.	Short Title.	Extent of Repeal.
Act No. III. of 1878	The Bombay License Act, 1878 - - - -	So much as has not been repealed.

ACT of the Lieutenant Governor of Bengal in Council.

Number and Year.	Short Title.	Extent of Repeal.
Act No. II. of 1880 -	The Bengal License Act, 1880 - - - - -	The whole.

THE SECOND SCHEDULE.

SOURCES OF INCOME AND RATES OF TAX.—(*See* Section 4.)

FIRST COLUMN.	SECOND COLUMN.
Source of Income.	Rate of Tax.
PART I.—SALARIES AND PENSIONS.	
1. Any salary, annuity, pension or gratuity paid in British India, to or on behalf of any person residing in British India or serving on board a ship plying to or from British Indian ports, whether on account of himself or another person. 2. Any salary, annuity, pension or gratuity paid by the Government, or by a local authority established in the exercise of the powers of the Governor General in Council in that behalf, to or on behalf of a British subject within the dominions of a Prince or State in India in alliance with Her Majesty.	(*a*) If the income amounts to 2,000 rupees per annum, or *Rs.* 166. 10 *a.* 8 *p.* per mensem, or upwards, five pies in the rupee. (*b*) If the income is less than 2,000 rupees per annum, or *Rs.* 166. 10 *a.* 8 *p.* per mensem, four pies in the rupee.
PART II.—PROFITS OF COMPANIES.	
Profits of a company - - -	Five pies in the rupee on the whole of the net profits made in British India by the Company during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the Thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then on the whole of the net profits so made during the year ending on the said Thirty first day of March.
PART III.—INTEREST ON SECURITIES.	
Interest becoming due on or after the First day of April 1886, and payable in British India, on— (*a*) Promissory notes, debentures, stock, or other securities of the Government of India (including securities of the Government of India whereon interest is payable out of British India by draft on any place in British India), or (*b*) Bonds or debentures charged by the Imperial Parliament on the revenues of India, or (*c*) Debentures or other securities for money issued by or on behalf of a local authority or company.	Five pies in the rupee on such interest, unless the owner of the security produces a certificate signed by the collector that his annual income from all sources is less than 500 rupees, in which case no deduction shall be made from the interest, or unless he produces a like certificate that his income from all sources is less than 2,000 rupees, in which case the rate shall be four pies in the rupee.
PART IV.—OTHER SOURCES OF INCOME.	
Any source of income not included in Part I., Part II., or Part III. of this Schedule.	(*a*) If the annual income is assessed at— not less than *Rs.* 500 but less than *Rs.* 750, the tax shall be *Rs.* 10 „ „ 750 „ „ 1,000 „ „ 15 „ „ 1,000 „ „ 1,250 „ „ 20 „ „ 1,250 „ „ 1,500 „ „ 28 „ „ 1,500 „ „ 1,750 „ „ 35 „ „ 1,750 „ „ 2,000 „ „ 42 (*b*) If the annual income is assessed at 2,000 rupees or upwards, five pies in the rupee on the income.

THE THIRD SCHEDULE.

FORM OF PETITION.—(*See* Section 25.)

To the Collector of

The day of 188 .

The petition of *A. B.* of

Sheweth as follows:

1. Under Act No. II. of 1886, your petitioner has been assessed in the sum of rupees for the year commencing the First day of April 188 .

2. Your petitioner's income and profits accruing and arising from [*here specify petitioner's trade or other source or sources of income or profits, and the place or places at which such income or profits accrues or arise*] for the year ending the day of last were rupees [as will appear from the documents, of which a list is presented herewith.*]

3. Such income and profits actually accrued and arose during a period of months and days [*here state the exact number of months and days in which the income and profits accrued and arose*].

4. During the said year your petitioner had no other income or profits.

Your petitioner therefore prays that he may be assessed accordingly [*or*, that he may be declared not to be chargeable under the said Act.]

(signed) *A. B.*

Form of Verification.

I, *A. B.*, the petitioner named in the above petition, do declare that what is stated therein is true to the best of my information and belief.

(signed) *A. B.*

* These words are to be inserted if the petitioner relies on documents. The list, if the petitioner so wishes, may be presented in a sealed envelope.

EAST INDIA (INCOME TAX ACT).

EXTRACTS of the PROCEEDINGS of the COUNCIL of the GOVERNOR GENERAL of INDIA, assembled for the purpose of making LAWS and REGULATIONS, regarding the ACT, No. 2, of 1886, for imposing a TAX on INCOME derived from other Sources than AGRICULTURE.

(Lord George Hamilton.)

Ordered, by The House of Commons, *to be Printed,*
4 *June* 1886.

[*Price* 1½*d.*]

180. *Under* 8 *oz.*

H.—19. 6. 86.

EAST INDIA (LOANS RAISED IN INDIA).

LIBRARY OF H- BOMB- BRANCH OF THE ROYAL ASIA- C-

RETURN of all LOANS raised in *India*, chargeable on the REVENUES of *India*, outstanding at the Commencement of the Half-year ended on the 31st March 1886, with the Rates of Interest and Total Amount payable thereon, and the Date of the Termination of each Loan, the Debt incurred during the Half-year, the Moneys raised thereby during the Half-year, the Loans paid off or discharged during the Half-year, and the Loans outstanding at the Close of the Half-year, stating, so far as the Public Convenience will allow, the Purpose or Service for which Moneys have been raised during the Half-year.

India Office,
21 June 1886.

HORACE WALPOLE,
Assistant Under Secretary of State for India.

(*Presented pursuant to Acts* 40 *&* 41 *Vict. ch.* 51, *and* 42 *&* 43 *Vict. ch.* 60.)

Ordered, by The House of Commons, *to be Printed,*
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Messrs. ADAM and CHARLES BLACK, of Edinburgh;
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223.

RETURN of all LOANS raised in *India*, chargeable on the REVENUES of *India*, outstanding at the Commencement of the Half-year ended on the 31st March 1886, with the Rates of Interest and Total Amount payable thereon, and the Date of the Termination of each Loan, the Debt incurred during the Half-year, the Moneys raised thereby during the Half-year, the Loans paid off or discharged during the Half-year, and the Loans outstanding at the Close of the Half-year, stating, so far as the Public Convenience will allow, the Purpose or Service for which Moneys have been raised during the Half-year.

DESCRIPTION OF LOAN.	RATE OF INTEREST.	One Half-year's Interest on the Amount of Debt outstanding on 1 October 1885.	DATE OF TERMINATION OF LOAN.	Amount of Debt outstanding on 1 October 1885.	Amount of Debt incurred during the Half-year ended 31 March 1886.	Moneys raised during the Half-year ended 31 March 1886.	Transferred from other Loans.	TOTAL.	Amount of Debt paid off or discharged during the Half-year ended 31 March 1886.	Transferred to other Loans.	Amount of Debt outstanding on 31 March 1886.
LOANS BEARING INTEREST.		£.		£.	£.	£.	£.	£.	£.	£.	£.
Transfer Loan of 1870	4½ per cent.	41,120	After 3 months' notice, which may be given at any time.	1,827,540	- -	- -	- -	1,827,540	40,000	- -	1,787,540
Railway Loan from Maharajah Holkar	4½ „	22,500	No date specified	1,000,000	- -	- -	- -	1,000,000	- -	- -	1,000,000
Loan of 1878	4½ „	34,865	Not before 15 September 1893	1,549,550	- -	- -	- -	1,549,550	- -	34,780	1,514,770
Transfer Loan of 1879, 4½ per Cent. portion	4½ „	425,946	- - ditto - - ditto	18,930,923	- -	- -	35,080	18,966,003	- -	450	18,965,553
			TOTAL of 4½ per Cent. Loans £.	23,308,013	- -	- -	35,080	23,343,093	40,000	35,230	23,267,863
Transfer Loan of 1879, 7 *s.* sterling per Cent. portion	Equivalent in rupees of 7 *s.* per *Rs.* 100.	401	Not before 15 September 1893	22,900	- -	- -	- -	22,900	- -	- -	22,900
Loan of 1832-33	4 per cent.	17,097	At any time on 3 months' notice by Government.	854,869	- -	- -	- -	854,869	48	4,485	850,336
Loan of 1835-36	4 „	47,276		* 2,363,790	- -	- -	- -	2,363,790	- -	39,930	2,323,860
Loan of 1842-43	4 „	468,487		* 23,424,340	- -	- -	109,410	23,533,750	50,150	84,750	23,398,850
Loan of 1854-55	4 „	96,857		* 4,842,850	- -	- -	- -	4,842,850	199,530	61,650	4,581,670
Transfer Loan of 1 May 1865	4 „	518,140		* 25,906,981	5	† 5	290,960	26,197,946	131,180	29,380	26,037,386
Reduced Loan of 16 January 1879	4 „	182,957	3 months after notice by Government.	9,147,860	- -	- -	- -	9,147,860	- -	177,900	8,969,960
Promissory Notes for Mysore Family	4 „	1,781	No date specified	89,035	- -	- -	- -	89,035	- -	1,750	87,285
Railway Loan from Maharajah Scindia	4 „	30,000	- - ditto	1,500,000	- -	- -	- -	1,500,000	- -	- -	1,500,000
East Indian Railway Commuted Stock	4 „	200	No date specified; but on 3 months' notice by Government.	10,000	- -	- -	- -	10,000	- -	25	9,975
			TOTAL of 4 per Cent. Loans £.	68,139,725	5	5	400,370	68,540,100	380,908	399,870	67,759,322

Loan of 1853-54	3½	„	938	At any time on 3 months' notice by Government.	53,590	- -	- -	- -	53,590	- -	250	53,340
Debenture Loan for Nagpur and Raipur Railway	4½	„	973	Not before 1 July 1890, and on 3 months' notice.	43,235	- -	- -	- -	43,235	- -	- -	43,235
Debenture Loan for Cawnpur and Furruckabad Railway.	4	„	366	Not before 1 January 1890, and on 3 months' notice.	18,300	- -	- -	- -	18,300	- -	3,970	14,330
Debenture Loan for Ghazipur and Dildarnagur Railway.	4	„	1,002	Not before 30 September 1887, unless by mutual agreement between Government and Subscribers.	50,080	- -	- -	- -	50,080	- -	- -	50,080
Debenture Loan for Muttra and Hathras Railway	4	„	95	Not before 31 March 1905, unless by mutual agreement between Government and Subscribers.	4,750	- -	- -	- -	4,750	- -	760	3,990
Debenture Loan for Cawnpur and Achneyra Railway	4	„	1,260	Not before 31 March 1905	62,980	- -	- -	4,730	67,710	- -	- -	67,710
				TOTAL of Railway Debenture Loans £.	179,345	- -	- -	4,730	184,075	- -	4,730	179,345
Stock Notes	4	„	3,127	20 years from date of issue	156,368	8,016	*8,016*	- -	164,384	9,048	- -	155,336
		£.	1,895,388	TOTAL DEBT IN INDIA bearing Interest £.	91,859,941	8,021	*8,021*	440,180	92,308,142	429,956	440,080	91,438,106
LOANS NOT BEARING INTEREST.												
4 per Cent. Transfer Loan of 22 April 1854				Ordered to be paid off	‡1,216,553	- -	- -	- -	1,216,553	- -	- -	1,216,553
5½ per Cent. Loan of 1859-60					6,540	- -	- -	- -	6,540	- -	100	6,440
5 per Cent. Loan of 1856-57					7,260	- -	- -	- -	7,260	50	- -	7,210
5 per Cent. Loan of 1825-26					*6,166	- -	- -	- -	6,166	- -	- -	6,166
5 per Cent. Loan of 1841-42					*2,290	- -	- -	- -	2,290	- -	- -	2,290
5 per Cent. Loan of 1854-55 for Public Works					4,570	- -	- -	- -	4,570	- -	- -	4,570
Treasury Bills at 2½ pie per *Rs.* 100 per diem					630	- -	- -	- -	630	- -	- -	630
Reduced 4 per Cent. Loan of 4 July 1881					450	- -	- -	- -	450	- -	- -	450
4 per Cent. Loan of 1824-25					22,304	- -	- -	- -	22,304	- -	- -	22,304
4 per Cent. Loan of 1828-29					725	- -	- -	- -	725	- -	- -	725
				TOTAL DEBT IN INDIA not bearing Interest £.	1,267,488	- -	- -	- -	1,267,488	50	100	1,267,338
				TOTAL DEBT IN INDIA £.	93,127,429	8,021	*8,021*	440,180	93,575,630	430,006	440,180	92,705,444

* These sums exceed the closing balances shown in the Return for the last half-year, owing to corrections since made.
† Difference received in cash to make up even hundreds in transferring from Sicca Rupee Loan.
‡ Shown under Loans not bearing interest, as the portion of this Loan held in India became repayable on the 22nd April 1885.

Comptroller General's Office, Calcutta,
26 May 1886.

E. T. Atkinson,
Officiating Comptroller General.

EAST INDIA (LOANS RAISED IN INDIA).

RETURN of all Loans raised in *India*, chargeable on the Revenues of *India*, outstanding at the Commencement of the Half-year ended on the 31st March 1886, with the Rates of Interest and Total Amount payable thereon, and the Date of the Termination of each Loan, the Debt incurred during the Half-year, the Moneys raised thereby during the Half-year, the Loans paid off or discharged during the Half-year, and the Loans outstanding at the Close of the Half-year, stating, so far as the Public Convenience will allow, the Purpose or Service for which Moneys have been raised during the Half-year.

(*Presented pursuant to Acts* 40 *&* 41 *Vict. ch.* 51, *and* 42 *&* 43 *Vict. ch.* 60.)

Ordered, by The House of Commons, *to be Printed*, 24 *June* 1886.

[*Price* $\frac{1}{2}$ *d.*]

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H.—12. 7. 86.

EAST INDIA (LOANS RAISED IN ENGLAND).

RETURN of all LOANS raised in *England* under the Provisions of any Acts of Parliament, chargeable on the REVENUES of *India*, outstanding at the Commencement of the Half-year ended on the 30th September 1885, with the Rates of Interest and Total Amount payable thereon, and the Date of the Termination of each Loan, the Debt incurred during the Half-year, the Moneys raised thereby during the Half-year, the Loans paid off or discharged during the Half-year, and the Loans outstanding at the Close of the Half-year, stating, so far as the Public Convenience will allow, the Purpose or Service for which Moneys have been raised during the Half-year.

India Office,
21 January 1886.

J. A. GODLEY,
Under Secretary of State.

(*Presented pursuant to Acts* 40 & 41 *Vict. ch.* 51, *and* 42 & 43 *Vict. ch.* 43 *and* 60.)

Ordered, by The House of Commons, *to be Printed,*
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15.

RETURN of all LOANS raised in *England* under the Provisions of any Acts of Half-year ended on the 30th September 1885, with the Rates of Interest and Total during the Half-year, the Moneys raised thereby during the Half-year, the Loans year, stating, so far as the Public Convenience will allow, the Purpose or Service

DESCRIPTION OF LOAN.	RATE OF INTEREST.	Total Amount of Interest payable thereon during the Half-year ended 30 Sept. 1885.	
LOANS BEARING INTEREST.		£.	
India 4 per Cent. Stock	4 per cent.	1,067,762	1
India 3½ per Cent. Stock	3½ ,,	94,455	2
India 3 per Cent. Stock	3 ,,	48,728	3
India Debentures	3½ ,,	87,500	4
East India Bonds (issued temporarily)	2 ,,	1,411	5
East Indian Railway Debenture Stock	4½ ,,	32,302	6
Eastern Bengal Railway Debenture Stock	4 ,,	6,973	7
Eastern Bengal Railway Debentures	4 ,,	8,194	8
	£.	1,347,325	
LOANS NOT BEARING INTEREST.			
India Debentures	-	-	9
East India Bonds	-	-	10
India 5 per Cent. Stock	-	-	11
East Indian Railway Debentures	-	-	12
Eastern Bengal Railway Debentures	-	-	13

* Sum received during the Half-year in respect of the issue of 3,500,000 *l.* India 3 per Cent. Stock for Public Works and other purposes.

‡ Sum required to meet a temporary deficiency in the Cash Balance in England, consequent on short sales of Bills on India.

India Office,
1 October 1885.

Parliament, chargeable on the REVENUES of *India*, outstanding at the Commencement of the Amount payable thereon, and the Date of the Termination of each Loan, the Debt incurred paid off or discharged during the Half-year, and the Loans outstanding at the Close of the Half-for which Moneys have been raised during the Half-year.

	DATE OF TERMINATION OF LOAN.	Amount of Debt outstanding on 1 April 1885.	Amount of Debt incurred during the Half-year ended 30 Sept. 1885.	Moneys raised during the Half-year ended 30 Sept. 1885.	Amount of Debt paid off or discharged during the Half-year ended 30 Sept. 1885.	Amount of Debt outstanding on 30 Sept. 1885.
		£.	£.	£.	£.	£.
1	Not redeemable until 10th October 1888, but on or after that day, upon one year's previous notice having been given by the Secretary of State for India in Council	53,388,102	- -	- -	20,821 †	53,367,281
2	Not redeemable until 5th January 1931, but on or after that day, upon one year's previous notice having been given by the Secretary of State for India in Council	5,397,426	- -	- -	- -	5,397,426
3	Not redeemable until 5th October 1948, but on or after that day, upon one year's previous notice having been given by the Secretary of State for India in Council	3,248,548	3,500,000	*2,770,000* *	- -	6,748,548
4	{2,000,000 *l.* - - - 16th August 1889} {3,000,000 *l.* - - - 16th August 1891}	5,000,000	- -	- -	- -	5,000,000
5	- - - - - - - - - - -	- -	1,000,000	*1,000,000* ‡	1,000,000	—
6	- - - - - - - - - - -	1,435,650	- -	- -	- -	1,435,650
7	- - - - - - - - - - -	348,666	- -	- -	- -	348,666
8	12th July 1886 - - - - - - -	409,700	- -	- -	- -	409,700
	TOTAL DEBT in ENGLAND bearing Interest -	69,228,092	4,500,000	- -	1,020,821	72,707,271
9	16th August 1884 - - - - - - -	1,000	- -	- -	1,000	—
10	On presentation of the Bonds - - - -	20,917	- -	- -	- -	20,917
11	5th July 1880 - - - - - - -	19,779	- -	- -	- -	19,779
12	On presentation of the Debentures - - -	1,100	- -	- -	- -	1,100
13	1st November 1884 - - - - - -	200	- -	- -	200	—
	TOTAL DEBT in ENGLAND not bearing Interest	42,996	- -	- -	1,200	41,796
	TOTAL DEBT in ENGLAND - - - £.	69,271,088	4,500,000	- -	1,022,021	72,749,067

SINKING FUNDS created pursuant to Section 51 of Act 42 & 43 Vict. c. 206, and Section 2 (*a*) of Act 44 & 45 Vict. c. 53, and the application thereof.

	India Debt issued in redemption of			
	£. 305,867. 11. 5. East Indian Railway Annuity.	£. 64,350. East Indian Railway 4½ per Cent. Debenture Stock.	£. 62,642. Eastern Bengal Railway 4 per Cent. Debenture Stock.	TOTAL.
India Debt created and issued under Acts 42 & 43 Vict. c. 43, and 44 & 45 Vict. c. 53, in redemption of liabilities charged on the Revenues of India:	£. s. d.	£. s. d.	£. s. d.	£. s. d.
India 4 per Cent. Stock - - - - - - - - -	5,115,938 15 –	- - -	- - -	5,115,938 15 –
India 4 per Cent. Rupee Debt, *Rs.* 1,06,750, at 2 *s.* the rupee - -	10,675 – –	- - -	- - -	10,675 – –
India 3½ per Cent. Stock - - - - - - - - -	1,687,252 10 –	48,168 – –	67,005 7 1	1,802,425 17 1
India 3 per Cent. Stock - - - - - - - - -	215,242 15 2	32,597 6 –	708 – –	248,548 1 2
India Debt created and issued - - - -	7,029,109 – 2	80,765 6 –	67,713 7 1	7,177,587 13 3
India Debt purchased and cancelled to 31st March 1885:				
India 4 per Cent. Stock - - - - - - - - -	145,766 10 6	157 2 1	362 15 10	146,286 8 5
† India Debt purchased and cancelled during the Half-year ended 30th September 1885:				
India 4 per Cent. Stock purchased with 17,831 *l.* 11 *s.* 4 *d.*, being the difference between the sums retained by the Secretary of State during the half-year, in respect of the Liabilities redeemed by him, and the interest on the Stock created for the redemption thereof -	17,701 5 4	116 7 1	68 6 –	20,820 13 2
India 4 per Cent. Stock purchased with 2,925 *l.* 14 *s.* 6 *d.*, a Half-year's Interest on the amounts standing to the credit of the Funds	2,924 9 4	3 3 1	7 2 4	
India Debt purchased and cancelled - - - -	166,392 5 2	276 12 3	438 4 2	167,107 1 7
Balance of India Debt issued as above, outstanding on 30th September 1885:				
India 4 per Cent. Stock - - - £. 4,948,831 13 5				
India 4 per Cent. Rupee Debt - - 10,675 –				
India 3½ per Cent. Stock - - - 1,802,425 17 1				
India 3 per Cent. Stock - - - 248,548 1 2				
- £.	6,862,716 15 –	80,488 13 9	67,275 2 11	7,010,480 11 8

THOS. W. KEITH,
Accountant General.

EAST INDIA (LOANS RAISED IN ENGLAND).

RETURN of all Loans raised in *England*, under the Provisions of any Acts of Parliament, chargeable on the Revenues of *India*, outstanding at the Commencement of the Half-year ended on the 30th September 1885, with the Rates of Interest and Total Amount payable thereon, and the Date of the Termination of each Loan, the Debt incurred during the Half-year, the Moneys raised thereby during the Half-year, the Loans paid off or discharged during the Half-year, and the Loans outstanding at the Close of the Half-year, stating, so far as the Public Convenience will allow, the Purpose or Service for which Moneys have been raised during the Half-year.

(*Presented pursuant to Acts* 40 & 41 *Vict. ch.* 51, *and* 42 & 43 *Vict. ch.* 43 *and* 60.)

Ordered, by The House of Commons, *to be Printed*,
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[*Price* ½ *d.*]

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H.—24. 2. 86.

RETURN.

East India
(Reduction of Expenditure).

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EAST INDIA (REDUCTION OF EXPENDITURE).

RETURN to an Address of the Honourable The House of Commons, dated 12 August 1885 ;--*for*,

" COPY of CORRESPONDENCE between the GOVERNMENT of INDIA and the SECRETARY of STATE, in 1883, regarding the Steps to be taken for a REDUCTION of the EXPENDITURE of INDIA."

India Office,
13 August 1885.

RANDOLPH S. CHURCHILL,
Secretary of State for India.

(Mr. Kynaston Cross.)

Ordered, by The House of Commons, *to be Printed,*
13 *August* 1885.

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352.

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COPY of CORRESPONDENCE between the GOVERNMENT of INDIA and the SECRETARY of STATE, in 1883, regarding the Steps to be taken for a REDUCTION of the EXPENDITURE of INDIA.

— No. 1. —

The Secretary of State for India to the Governor General in Council, 28th June 1883, No. 183 (Financial).

My Lord Marquis,

Para. 1. IN various Despatches which have passed in recent years between the Government of India and the Home Government, attention has been called to the tendency of the expenditure to increase. The Marquis of Hartington, in his Despatches of the 28th of July 1881, No. 222 (para. 50), and the 3rd of August 1882, No. 243 (para. 41), referred to the increase of that portion especially which was under the control of the Provincial Governments, and to the necessity of exercising a careful supervision over their budgets. In your letter of the 1st of September 1882, No. 274, you remarked (in para. 11) that, besides the urgent needs for the extension of primary education, sanitary measures, and protective public works, "civil expenditure in every branch of the service shows an inevitable tendency to grow;" and, in the 129th paragraph of the Financial Statement for 1883-84, Major Baring laid special stress on the necessity for economy by the Provincial Governments in their own administration, and on the inability of the Government of India to entertain any further proposals for increased Imperial grants for provincial services.

2. Owing to the many changes which have been made in the forms of account, there has hitherto been difficulty in making fair comparisons between the expenditure now shown in the accounts under a particular head, and that formerly entered under the same head; but the tables given in Appendix III. of your Financial Statement, as corrected in regard to the Home Charges for presentation to Parliament, remove this difficulty, and I, therefore, propose to examine the charges in some detail, with the view of considering whether it may not be possible to effect some economy.

3. In entering upon this examination, I have no desire to imply that the increase of the expenditure, to which I shall have to advert, has been the result of outlay on objects in themselves otherwise than desirable, or that the Government of India has not exercised careful supervision over the many demands for additional outlay which come before it; nor have I lost sight of the fact that, during the period over which my proposed review will extend, there has been a large and satisfactory growth of the revenue, which has not only provided for the increase of charge, but has also admitted of important reductions of taxation, while leaving a satisfactory anticipated surplus.

4. But, notwithstanding these circumstances, and the generally favourable present condition of the finances, it still remains an important duty to watch with care every growth of the expenditure, to guard against every tendency to incur charges which are not essential, and to avoid the risks of undue expansion of outlay on objects of apparent utility which not uncommonly attend a position of supposed freedom from financial anxiety. It is then in this spirit that I proceed to review the main heads of Expenditure during the last 10 or 12 years.

5. The following is a statement of the annual total expenditure, arranged on the average of triennial periods :—

Expenditure.	Average, 1871–72 to 1873–74.	Average, 1874–75 to 1876–77.	Average, 1877–78 to 1879–80.	Average, 1880–81 to 1882–83.	Budget, 1883–84.
	£.	£.	£.	£.	£.
Total - - - £.	55,486,000	59,549,000	65,376,000	71,624,000	68,816,000
From these figures I deduct the following sums, representing expenditure of an abnormal character, or such as is for the most part beyond the control of the Government, and also that for the Working and Maintenance of Productive Public Works :—					
Famine Relief and Insurance	1,288,000	1,663,000	1,921,000	1,011,000	1,500,000
Exchange - - - -	670,000	1,400,000	2,569,000	3,130,000	3,548,000
War Charges - - -	—	—	1,831,000	4,784,000	—
Frontier Railways - -	—	—	445,000	933,000	67,000
Subsidized Railways - -	—	—	—	40,000	186,000
Interest on Debt, &c. - -	5,871,000	5,295,000	4,986,000	4,364,000	4,264,000
Superannuation : Civil -	1,570,000	1,890,000	2,068,000	2,180,000	2,171,000
Non-Effective Charges : Army	1,937,000	2,188,000	2,687,000	2,903,000 *	3,109,000 †
Productive Public Works Revenue Account - -	5,319,000	6,112,000	8,091,000	9,609,000	10,088,000
Total deductions - - £.	16,655,000	18,548,000	24,598,000	28,954,000	24,933,000
Remainder - - - - £.	38,831,000	41,001,000	40,778,000	42,670,000	43,383,000

6. The amounts remaining after making the specified deductions fall into the following groups :—

Heads of Expenditure.	Average, 1871–72 to 1873–74.	Average, 1874–75 to 1876–77.	Average, 1877–78 to 1879–80.	Average, 1880–81 to 1882–83.	Budget, 1883–84.
	£.	£.	£.	£.	£.
Direct demands on the Revenues -	7,266,000	8,142,000	7,990,000	8,375,000	8,634,000
Post Office, Telegraph, and Mint	1,326,000	1,491,000	1,619,000	1,823,000	2,040,000
Civil Departments - - -	9,579,000	10,242,000	10,339,000	10,857,000	11,154,000
Miscellaneous Civil Charges (omitting Superannuation) - -	2,054,000	2,062,000	1,777,000	1,757,000	1,797,000
Public Works not classed as Productive (omitting Subsidized and Frontier Railways) - -	5,073,000	5,760,000	5,089,000	6,059,000	6,803,000
Army : Effective Services - - -	13,533,000	13,304,000	13,964,000	13,799,000	12,955,000
Total - - - £.	38,831,000	41,001,000	40,778,000	42,670,000	43,383,000

7. Taking the groups in detail, I find that the direct demands on the revenues have increased in the 11 years by 1,368,000 *l.*, or about 19 per cent. Compared with the gross receipts from the principal sources of revenue, the direct claims amounted in—

1871–72 to 1873-74, to 15·4 per cent.
1874–75 to 1876-77, to 17·2 „
1877–78 to 1879-80, to 15·7 „
1880–81 to 1882–83, to 16·0 „
Budget - 1883–84, to 17·0 „

which

* Partly estimated. † Estimated.

which last figure would have been 17·3 per cent., had not the refunds of departmental and other receipts been removed from this group in 1881-82, and charged against the several departmental heads of Expenditure. The following is the detail of the direct demands :—

Direct Demands.	Average, 1871-72 to 1873-74.	Average, 1874-75 to 1876-77.	Average, 1877-78 to 1879-80.	Average, 1880-81 to 1882-83.	Budget, 1883-84.
	£.	£.	£.	£.	£.
Refunds and Drawbacks - -	327,000	380,000	375,000	375,000	196,000
Assignments and Compensations -	866,000	885,000	988,000	1,217,000	1,246,000
Charges in Respect of Collection:					
Land Revenue - - - -	2,833,000	2,905,000	2,947,000	3,014,000	3,212,000
Opium - - - - - -	1,804,000	2,467,000	2,142,000	2,144,000	2,165,000
Salt - - - - - -	479,000	487,000	430,000	450,000	546,000
Stamps - - - - - -	95,000	109,000	111,000	113,000	103,000
Excise - - - - - -	124,000	90,000	100,000	96,000	94,000
Provincial Rates - - -	32,000	49,000	59,000	50,000	51,000
Customs - - - -	186,000	192,000	203,000	184,000	144,000
Assessed Taxes - - -	15,000	1,000	23,000	16,000	14,000
Forest - - - - - -	388,000	441,000	453,000	537,000	677,000
Registration - - - -	117,000	136,000	159,000	179,000	186,000
TOTAL - - - £.	7,266,000	8,142,000	7,990,000	8,375,000	8,634,000

8. The reduction in the Refunds is due principally to the transfer mentioned in the preceding paragraph; but I presume also that the removal of the customs duties on imports in 1882 has led to a diminution of the refunds anticipated. In the Financial Statement for 1882-83 it was estimated that there would be a saving of 35,000 *l.* in this direction.

9. The large increase which is shown under Assignments and Compensations arose in 1878-79 and the following years, when annual payments were promised to the Native chiefs in Rajputana, in connection with the arrangements made for the collection of the salt revenue. In 1881-82 these special compensations amounted to about 270,000 *l.*

10. Taking together the receipts from Land Revenue (including that credited to Productive Public Works), and from Provincial Rates, the cost of collection amounted in—

1871–72 to 1873–74, to 12·58 per cent.
1874–75 to 1876–77, to 12·93 „
1877–78 to 1879–80, to 12·40 „
1880–81 to 1882–83, to 12·27 „
Budget - 1883–84, to 13·03 „

From these figures I think it may be inferred that the revenue derived from the land has, up to 1882–83, been increasing at a greater rate than the cost of the establishment charged with its collection, and the contingent outlay which appears under this head; but the increased charge in the Budget for 1883–84, which is caused by the measures adopted last year for the improvement of the position of the Subordinate Civil Service, and for the relief of landlords in Oudh by paying the patwaris from Government revenues, has brought the ratio to a higher point than at any time during the period under review.

11. The average charge for the production and manufacture of Opium has not varied greatly, although in particular years the fluctuations are considerable.

The percentage of cost, which depends rather on the amount of the revenue received, has been as follows:—

1871–72 to 1873–74, 20·60.
1874–75 to 1876–77, 28·30.
1877–78 to 1879–80, 22·24.
1880–81 to 1882–83, 21·50.
Budget - 1883–84, 23·53.

12. The charges for the collection of the Salt revenue show a considerable increase in the Budget, owing to the revision of the establishments in Madras. Calculated on the receipts, the percentage of cost, as shown in the Accounts, is as follows:—

1871–72 to 1873–74, 7·85.
1874–75 to 1876–77, 7·78.
1877–78 to 1879–80, 6·20.
1880–81 to 1882–83, 6·54.
Budget - 1883–84, 8·85.

If, however, the special compensations mentioned above, amounting to 270,000 *l.*, and also the payment of 42,600 *l.* in Madras, under the Convention with the French Government, be added to the charges shown in the Budget, they will be increased from 546,000 *l.* to 858,600 *l.*, giving a percentage of 11·64 on the income of 1881–82 before the reduction of duty, or of 13·92 on the estimate for 1883–84.

13. It does not appear necessary to make any remark on the remaining charges for the collection of the revenue, except that, owing to the great increase of charge under Forests, the net revenue from that source, 259,300 *l.*, set down in the Budget, is very considerably less than in either of the two previous years.

14. The next group, that of Post Office, Telegraph, and Mint, exhibits the following results:—

Expenditure.	Post Office.		Telegraph.		Mint.		Total of Group.	
	Gross.	Net.	Gross.	Net.	Gross.	Net.	Gross.	Net.
Average:	£.	£.	£.	£.	£.	£.	£.	£.
1871–72 to 1873–74 - - -	795,000	99,000	448,000	205,000	83,000	10,000	1,326,000	314,000
1874–75 to 1876–77 - - -	902,000	134,000	465,000	153,000	124,000	—*52,000*	1,491,000	235,000
1877–78 to 1879–80 - - -	1,048,000	125,000	461,000	31,000	110,000	—*172,000*	1,619,000	—*16,000*
1880–81 to 1882–83 - - -	1,170,000	187,000	563,000	54,000	90,000	—*14,000*	1,823,000	227,000
Budget, 1883–84 - - - -	1,223,000	212,000	742,000	185,000	75,000	—*27,000*	2,040,000	370,000

The receipts from the Post Office are, to a great extent, limited by the terms of the International Convention, and the advantages conferred on India by the great development of both the postal and the telegraph services are undoubted; nor do I overlook the fact that in the annual charges of the year is included the capital cost of the telegraph lines which are now being greatly extended in India. Still, it must be observed that both the gross and the net expenditure of these services has largely increased in recent years, and every effort should be used to make them more nearly self-supporting, so as to relieve the finances from the burden which they now bear in respect of them.

15. In the arrangement of the next two groups, your Excellency will observe that the cost of stationery in the Home Accounts in the years from 1871–72 to 1875–76 has been removed to that head from Administration. Deducting the departmental

departmental receipts, the net figures for the Civil Departments are as follows:—

YEARS.	General Administration.	Law and Justice.	Police.	Marine.	Education.	Ecclesiastical.	Medical.	Political.	Scientific and other Minor Departments.	TOTAL of Group.
Average:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1871–72 to 1873–74 -	1,404,000	2,273,000	2,191,000	290,000	729,000	160,000	551,000	358,000	339,000	8,295,000
1874–75 to 1876–77 -	1,442,000	2,475,000	2,255,000	338,000	857,000	164,000	626,000	447,000	332,000	8,936,000
1877–78 to 1879–80 -	1,502,000	2,607,000	2,235,000	250,000	836,000	156,000	630,000	449,000	266,000	8,931,000
1880–81 to 1882–83 -	1,536,000	2,561,000	2,331,000	328,000	884,000	161,000	639,000	564,000	381,000	9,385,000
Budget, 1883–84 - -	1,555,000	2,702,000	2,482,000	308,000	995,000	168,000	674,000	442,000	425,000	9,751,000

Thus the net cost of the Civil Departments has, in 11 years, increased by 1,456,000 *l.*, or 17½ per cent., and in the last five years by 820,000 *l.*, or more than 9 per cent. The increase has arisen in the several departments to the following extent:—

	Budget for 1883–84 in Excess of Average of	
	1871–72 to 1873–74.	1877–78 to 1879–80.
	£.	£.
General Administration - - -	151,000	53,000
Law and Justice - - - - -	429,000	95,000
Police - - - - - -	291,000	247,000
Marine - - - - - -	18,000	58,000
Education - - - - -	266,000	159,000
Ecclesiastical - - - -	8,000	12,000
Medical - - - - -	123,000	44,000
Political - - - - -	84,000	*—7,000*
Scientific and other Minor Departments.	86,000	159,000
TOTAL - - - £.	1,456,000	820,000

16. As regards the increased cost of general administration, the following are some of the principal points to be noticed. In the three earlier periods which have been selected for examination, the tour expenses of the Government of India averaged respectively 59,000 *l.*, 59,000 *l.* and 70,000 *l.*, and in 1880–81 and 1881–82, 81,000 *l.*, while they are mentioned in the 150th paragraph of Part II. of the Financial Statement as one of the causes of a further increase in 1882–83. In the Comptroller General's Department there is an increase of 11,000 *l.*, and in the allowance to the Bank of Bengal for the management of the public debt and Government account of 9,000 *l.*, while a payment of about 4,000 *l.* for rents, rates, and taxes, has appeared in the Accounts since 1876–77, inclusive. The expenditure in Bengal and Assam combined, has been 158,000 *l.*, 172,000 *l.*, 186,000 *l.*, and 205,000 *l.*, in the several periods, and has risen in 1882–83 to 211,000 *l.*, and in the Budget for 1883–84 to 213,000 *l.*; in British Burma it has been 35,000 *l.*, 37,000 *l.*, 37,000 *l.*, and 41,000 *l.*, and in the Estimates rises to 45,000 *l.* and 49,000 *l.*; in the Punjab the amounts are 112,000 *l.*, 112,000 *l.*, 120,000 *l.*, 122,000 *l.*, 127,000 *l.*, and 126,000 *l.*; in Madras, 121,000 *l.*, 123,000 *l.*, 129,000 *l.*, 135,000 *l.*, 145,000 *l.*, and 139,000 *l.*; and in Bombay, 156,000 *l.*, 156,000 *l.*, 172,000 *l.*, 163,000 *l.*, 166,000 *l.*, and 168,000 *l.* In the Central Provinces the charges have been almost uniform, at 42,000 *l.* or 41,000 *l.*; and in the North-West Provinces and Oudh the union of the two administrations led to a reduction from 156,000 *l.* to 147,000 *l.*,

from which the cost has gradually increased to 151,000 *l.* estimated for 1883–84. In England the expenditure under this head (apart from Stores and other charges incurred for the Government of India) was 199,000 *l.*, 211,000 *l.*, 212,000 *l.*, and 217,000 *l.*, the increase in the last period being caused by exceptional payments for the management of the debt. In 1882–83 it was 220,000 *l.*, and it is estimated at the same sum for 1883–84.

17. Owing to the omission of the charges on account of Provincial Services from the head of Law and Justice in former years, no fair comparison can be made from an earlier date than 1876–77, since which year there has been an increase of 216,000 *l.*, of which about 48,000 *l.* appears to be due to the transfer of the departmental refunds. It is especially in Bengal that the increase has taken place, where the charges, which had risen from 835,000 *l.* in 1876–77 to 863,000 *l.* in 1880–81, mounted up in 1881–82 to 901,000 *l.*, in 1882–83 to 934,000 *l.*, and are estimated in 1883–84 at 965,000 *l.* Of the increase of 38,000 *l.* in 1881–82, 18,000 *l.* was due to the transfer of refunds, but no less than 20,000 *l.* is entered under contingent charges of the Civil and Sessions and Criminal Courts. The increase in the later years seems to be partly caused by supplies for jails, and partly by larger provision for the salaries and establishments of munsiffs.

18. Of the payments under Police, I am unable to make a comparison from an earlier date than 1878–79. The increase of 135,000 *l.* in the next three years is, to the extent of 71,000 *l.*, explained by the additional charges for Railway and Special Police, and for the guards for the Customs and Salt Departments in Madras, not previously included; the remainder of the increase appears to be equally divided between the District Executive force and the Village Police. In the two years 1882–83 and 1883–84 there is an estimated further increase of 154,200 *l.*, of which 69,100 *l.* occurs in Bengal, 45,700 *l.* in British Burma, 25,300 *l.* in Bombay, and 14,900 *l.* in the Central Provinces.

19. The expenditure on Education has increased by 222,000 *l.* in the last five years, of which 68,000 *l.* arises in Bengal, 59,000 *l.* in Bombay, 45,000 *l.* in Madras, 16,000 *l.* in the North-Western Provinces, and 13,000 *l.* in British Burma. The increase of 54,000 *l.* in the medical charges in the same period has occurred in Madras to the extent of 23,000 *l.*, Bombay of 12,000 *l.*, the North-Western Provinces of 22,000 *l.*, and the Punjab of 11,000 *l.*, while in Bengal there is a reduction of 17,000 *l.*

20. As regards the scientific and other minor departments, there has been a reduction in the expenditure on Surveys and Exhibitions, as well as a considerable profit from the chinchona plantations, while an increase has occurred in the outlay in connection with the breeding of cattle, the grants to botanical and other gardens, and statistical inquiries, more especially in relation to the census, the cost of which in 1881–82 alone was 159,000 *l.* (of which 61,000 *l.* was spent in Bengal), while the preceding census did not altogether involve a charge of more than about 70,000 *l.* in the four years from 1871–72 to 1874–75.

21. The following are the net figures for the group of Miscellaneous Civil Charges, Superannuation being for the present omitted:—

YEARS.	Territorial and Political Pensions.	Interest Receipts.	Civil Furlough.	Stationery and Printing.	Miscellaneous.	TOTAL.
Average:	£.	£.	£.	£.	£.	£.
1871-72 to 1873-74 - -	911,000	*—453,000*	196,000	340,000	*—186,000*	808,000
1874-75 to 1876-77 - -	824,000	*—560,000*	227,000	460,000	*—664,000*	287,000
1877-78 to 1879-80 - -	774,000	*—637,000*	228,000	898,000	*—64,000*	699,000
1880-81 to 1882-83 - -	685,000	*—820,000*	221,000	455,000	*—148,000*	393,000
Budget, 1883-84 - - -	743,000	*—651,000*	227,000	405,000	97,000	821,000

The receipts under the head of Interest were exceptionally high in 1880–81 to 1882–83, owing to the premium realized on the loans. The Miscellaneous Charges are necessarily of a fluctuating amount.

22. I now

22. I now come to the expenditure on Public Works not classed as productive, excluding the subsidized and frontier railways:—

YEARS.	State Railways.		Irrigation and Navigation.	Military Works.	Civil Buildings, Roads, &c.	TOTAL.
	Capital Account.	Working and Maintenance.				
Average:	£.	£.	£.	£.	£.	£.
1871–72 to 1873–74 - -	13,000	—	282,000	1,078,000	3,059,000	4,432,000
1874–75 to 1876–77 - -	54,000	—	403,000	1,218,000	3,468,000	5,143,000
1877–78 to 1879–80 - -	255,000	—	510,000	1,065,000	2,474,000	4,304,000
1880–81 to 1882–83 - -	255,000	8,000	652,000	970,000	3,428,000	5,313,000
Budget, 1883–84 - - -	510,000	—7,000	663,000	961,000	3,822,000	5,949,000

In the outlay on the construction of State railways there is an increase of 255,000 *l.* in the Budget, which provides for exactly double the average expenditure in either of the two immediately preceding periods. The allotment for irrigation and navigation, though little more than in the years 1880–81 to 1882–83, exceeds by 153,000 *l.*, or more than 30 per cent., the expenditure in the three years before. The grant for Military Works is now fixed at 1,000,000 *l.* per annum, from which certain receipts have to be deducted in arriving at the net outlay. The expenditure on Civil Buildings and Roads, which in 1880–81 to 1882–83 was greater by 954,000 *l.* a year than the average of the preceding period, is in the Budget again augmented by 394,000 *l.* Thus, on Public Works which are not of such a character as to be classed as productive, there is an increase of 1,645,000 *l.* over the expenditure from 1877–78 to 1879–80, of which 1,348,000 *l.* is due to Civil Buildings and Roads; and of 636,000 *l.* over that from 1880–81 to 1882–83, of which nearly 400,000 *l.* is also due to the class of works last named. The control of this branch of the expenditure will, no doubt, receive the earnest attention of your Excellency's Government. I am aware that this outlay has, to a great extent, been met from the provincial balances, which in some provinces had accumulated largely; but it is apparent that such expenditure cannot be indefinitely continued, and that, if additional grants are made in any year from the balances, they should only be allowed on the condition *that the establishments are not materially enlarged*, at the risk of difficulty attending their reduction in a subsequent year when smaller funds may be available.

23. The charges for the Army, apart from the war, are divided in the following manner between Effective and Non-effective (the figures for 1882–83 and 1883–84 being estimates):—

YEARS.	Effective.	Non-effective.	TOTAL.
Average:	£.	£.	£.
1871–72 to 1873–74 - -	12,587,000	1,929,000	14,516,000
1874–75 to 1876–77 - -	12,340,000	2,165,000	14,505,000
1877–78 to 1879–80 - -	13,033,000	2,660,000	15,693,000
1880–81 to 1882–83 - -	12,831,000*	2,847,000*	15,678,000
Budget, 1883–84 - - -	12,248,000†	2,950,000†	15,198,000

The Effective charges have thus been materially reduced, while the Non-effective charges are steadily increasing. Your Excellency is, moreover, aware that for some years the full amount due to the Imperial Government has not been paid, and that there is now the very large arrear of about 2,000,000 *l.* to be liquidated.

24. I am,

* Partly estimated. † Estimated.

24. I am, of course, conscious that no steps can be taken for the reduction of the existing pensions, whether military or civil, and that the Government is pledged to their payment, not merely to persons who have already retired from the Service, but also to those who are still effective. Nor do I lose sight of the fact that much of this additional expenditure has been caused by changes of organization in the British Army, the responsibility for which does not rest with the Government of India. But, however these charges have arisen, the rapidity of their growth makes it all the more necessary to exercise the strictest economy in other directions. How greatly the burden for superannuation charges of all kinds has increased in recent years may be gathered from the following net figures:—

YEARS.	Army, Non-effective Charges.	Military Funds, charged under Superannuation.	Other Civil Superannuation.	TOTAL.
Average:	£.	£.	£.	£.
1871-72 to 1873-74 - - - -	1,929,000	82,000	780,000	2,791,000
1874-75 to 1876-77 - - - -	2,165,000	65,000	1,089,000	3,319,000
1877-78 to 1879-80 - - - -	2,660,000	102,000	1,319,000	4,081,000
1880-81 and 1881-82 - - -	2,847,000	328,000	1,502,000	4,677,000

To the last-mentioned sums must be added about 300,000 *l.* for the deficiency in the payments to the Treasury for Non-effective charges to meet the liabilities of recent years; so that the charges for Superannuation have increased during the last 10 years from about 2,800,000 *l.* to 4,900,000 *l.*, or to the extent of 75 per cent., and now amount to nearly 12 per cent., or one-ninth, of the net revenue of India.

25. To some extent this increase is only apparent, as it is due to the exhaustion of the capital of the military and medical funds; but the following causes have tended to a real augmentation of the Non-effective charges: the guarantee of large pensions to officers of the Indian Army; the special inducements offered to them to retire, which have led to a considerable reduction in the present and future cost of the effective officers as well as to a decrease in the possible future liabilities for pensions; the payment by India of her full proportionate share of the pensions of officers and soldiers of the British Army, instead of a moderate capitation rate; the grant of annuities to all civil servants after the completion of a fixed period of service and residence; and the constantly increasing number of officers of the Public Works, Telegraph, Forest, Educational, and other Departments, who, having entered the service in the last 20 or 25 years, are now coming on the pension list.

26. Apart from this heavy charge for Superannuation, a review of the foregoing figures shows that the expenditure has in recent years risen to a more or less serious extent under the heads of Collection of Land Revenue, Opium, Salt, and Forests, Post Office, Telegraph, General Administration, Law and Justice, Police, Education, Medical, Scientific and other Minor Departments, and Public Works not classed as productive. Over nearly all of these branches the Local Governments have more or less direct control; and, while I do not deny that the expenditure is to a considerable extent necessary, and in most cases beneficial, provided that the paramount consideration is borne in mind of keeping it within the income of the year, I cannot but fear that this condition has not on all occasions received the attention it deserves.

27. The policy of decentralization of some portion of the finances has certainly been eminently successful as regards the improvement of the revenue under the more careful supervision of the Local Governments; but it was an essential part of that policy, of the successful accomplishment of which the evidence is less complete, that, by the promotion of economy in the expenditure of the funds placed at their disposal, the means should be provided of meeting the increasing demands of the Administration. The balance which each Local Government should keep in your Treasury ought to be fixed at such an amount as, without unduly locking up their funds, shall suffice to meet any exceptional demands

demands that are at all likely to occur; and the expenditure should be at a sufficiently uniform rate to avoid violent fluctuations. According, however, to Abstract D, appended to your Financial Statement, the Provincial Governments exceeded * their annual income in 1881-82 by 1,520,000 *l.*, and in 1882-83 by 1,525,000 *l.*, and they are estimated to do so in 1883-84 by 1,500,000 *l.* On the 31st of March 1884 their balances are to be reduced to 1,793,000 *l.*, or little more than enough to meet the expenditure of a single year in excess of their income, at the present rate. There will be an obvious danger that, when the balances are exhausted, it may be impossible suddenly to effect the necessary retrenchment, without much waste and hardship, or that the equilibrium could only be restored by resorting to the serious evil of imposing fresh taxation.

28. In some of the provinces there is no reason to complain of the manner in which the expenditure has been regulated; but in others it has been very variable, and gives indications of having been excessive. The balances of the Bengal Government, which on the 31st of March 1882 were 918,000 *l.*, will in two years from that date be reduced to 70,000 *l.*, an amount which appears to me much too small as a reserve for the wants of so large a province; and British Burma will during the same period reduce its balance from 441,000 *l.* to less than 17,000 *l.* I am apprehensive, therefore, that the importance of keeping the expenditure of the Local Governments, as a general rule, within their annual income, and of reserving their balances (which should be of a moderate but not excessive amount) to meet emergencies, has been lost sight of; and that their Budgets have been passed by your Government as a matter of course, provided only that their balances were sufficient to avoid any demand being made on your Treasury.

29. In making these observations I do not wish at all to interfere with the disposal of their funds by the Local Governments under any suitable general regulations laid down. In 1881 their balances, which had already been exceptionally increased by suspension of expenditure, were further augmented by the grant of 670,000 *l.* for expenditure on Productive Public Works. This may have led to a somewhat irregular outlay not likely to recur. And, no doubt, cases may hereafter arise where a public work is of great importance, and where, by the system of contract, it can be constructed without enlarging the establishments; and for this object some accumulation of funds may be justified, and the surplus balances may be properly applied to such a purpose. Again, after the Budget for the year has been determined, some unforeseen want may be felt; and, if the pressure is sufficient to make immediate action desirable, a grant from the balances may properly be sanctioned. Or, again, there may be an unexpected and temporary loss of revenue, and the appropriation of a portion of the balances may meet the deficiency, without the necessity for disarranging any branch of the administration, in order to provide the necessary equilibrium. Subject to such exceptions, however, the rule of keeping the expenditure of each Local Government within its annual income should only be set aside for urgent reasons; and I desire that they may be requested in future to prepare their Budgets in conformity with this principle.

30. I shall, in another Despatch, address your Excellency on the subject of the financial position of the new local bodies which it is proposed to establish throughout the country, and on the danger of increased expenditure which may be thus caused.

31. While this Despatch has been under my consideration, a debate has taken place in the House of Commons, consequent on a resolution having been moved "That, in the opinion of this House, it is necessary that early steps be taken to reduce the expenditure of India."

32. I request your Excellency to take the subject of the reduction of expenditure into your earnest consideration. Even if it should not be found practicable to diminish to any large extent the total charges, I can hardly doubt that economies may be effected in particular Departments, and I rely on your Excellency's Government to spare no effort to check the growth of expenditure.

I have, &c.
(signed) *Kimberley.*

* *Sic.*—The sentence should have been: "Spent less than their annual income in 1881-82 by 1,520,000 *l.*, but exceeded it in 1882-83 by 1,525,000 *l.*"

— No. 2. —

The Secretary of State for India to the Governor General in Council, 5th July 1883, No. 191 (Financial).

(Extract.)

YOUR Excellency will, I have no doubt, concur with me that it is necessary great care should be taken to check any tendency of the Provincial Governments to authorise fresh expenditure in connection with the extension of local self-government, the result of which would be, when the new system comes into full operation, to impose increased burdens on the country. I request your Excellency, therefore, now that you have received the reports from the various Provincial Governments as to the manner in which they propose to carry your policy into effect, to consider carefully the subject of the outlay which the various changes will entail, and to furnish me, so far as is possible, with some approximate estimate of the cost which will be incurred in each province for these purposes.

In the foregoing observations, I have had in mind more particularly the risk of adding to the local rates; but it is not the less necessary to keep within strict limits expenditure from the provincial revenues. On this subject I have addressed you in a separate Despatch, No. 183, of the 28th ultimo.

— No. 3. —

The Secretary of State for India to the Governor General in Council, 12th July 1883, No. 196 (Financial).

(Extract.)

I MAKE no objection to the re-allotment in the following year to Protective Works of the balance unspent in a previous year; but I fear that a distribution of expenditure between the two years, by which a sum of only 237,900 *l.* is charged in the accounts of the one, and no less than 1,079,800 *l.* in those of the other, will not be favourable to economy.

The capital outlay on Productive Public Works is less by 1,055,249 *l.*; but, if the purchase money of the Madras Irrigation Canal and East Indian Railway Annuity be omitted from the calculation, there is an increase of 1,171,589 *l.* The Estimates for State Railways, for the East Indian Railway, and for Irrigation and Navigation, are enhanced by 718,989 *l.*, 160,800 *l.*, and 313,000 *l.* respectively, while there is a reduction of 21,200 *l.* in that for the Madras Harbour. According to the explanation at the end of the Appendix showing the causes of increase and decrease, the funds for this very large outlay of 3,820,100 *l.* are to be provided by adding to the fixed allotment of 2,500,000 *l.*, which will be met by a loan, 880,100 *l.* from the unspent balances of past years, 424,000 *l.* from the balances for the East Indian Railway, and 16,000 *l.* for the final payment in completion of the purchase of the Madras Irrigation Works. Thus your cash balances are to be reduced during the year by no less than 1,320,100 *l.* on account of Productive Public Works, besides (if I rightly understand paragraph 538 of Part II. of the Financial Statement) 137,100 *l.* specially contributed by the North-West Provinces and Oudh; and, although the whole expenditure falls within the terms on which you have been authorised to lay out money on such works, and part of the increase appears to be due to the payments for stores which it had been intended to provide in the previous year, I cannot think that establishments arranged for an expenditure of 2,725,000 *l.* in 1881-82, and 2,632,000 *l.* in 1882-83, can, with economy, control an outlay of 3,804,000 *l.* in 1883-84.

— No. 4. —

The Governor General in Council to the Secretary of State for India,
3rd August 1883, No. 214 (Financial).

My Lord,

FROM the commencement of the financial year 1882–83 we have caused a record to be kept in our Financial Department of all sanctions given to fresh expenditure. We have now embodied in a Resolution the results of the year 1882-83. As the question of the growth of Indian expenditure has recently attracted much attention in England, we think it may be interesting to your Lordship to see this Resolution. We beg, therefore, to enclose a copy.

2. It will be understood that the record includes all expenditure which, under existing rules, required the special sanction of the Government of India in the Financial Department, and was not provided for in the Budget Estimate of the year. It does not include expenditure which Local Governments are empowered to sanction as a charge against provincial revenues without reference to the Government of India, nor does it include temporary expenditure which Local Governments may have sanctioned under an Imperial head of the accounts, provided that in the latter case the additional expenditure must be met by savings effected under the same head. Your Lordship is aware that Local Governments possess authority to sanction expenditure from Provincial revenues without a reference to the Government of India, subject to two important limitations, viz., they cannot sanction expenditure that would lead to an excess in the total Provincial Budget provision of the year without the special order of the Government of India, and they cannot impose a permanent charge even on Provincial revenues in respect of any item which exceeds 3,000 rupees a year. And there is of course the general limitation that a Local Government cannot sanction Provincial expenditure unless such expenditure can be met from Provincial revenues. Nor can a Local Government impose any permanent recurring charge, however small, on Imperial revenues, without the permission of the Government of India.

3. The amount of expenditure sanctioned in each case does not necessarily agree with the amount which appears in the Accounts and Estimates. Further, it will be understood that the figures only show the extra expenditure which, under the sanction, will fall on the current financial year. For instance, supposing a salary of 500 rupees a month to be sanctioned with effect from 1st September 1882, the increase shown in this Resolution would only be 3,000 rupees for the year, whereas in subsequent years, supposing the appointment to be permanent, it would be 6,000 rupees. In many cases the expenditure falls partly on the Imperial and partly on a Provincial Government, and the full effect of the sanction is only to be discovered by looking both at that portion of the Resolution which deals with Imperial and that which deals with Provincial expenditure. We should also observe that no account is taken in the Resolution of lapses of expenditure.

4. The detail under each head is fully given in the Resolution, but it may be convenient that we should summarise the main facts with which the Resolution deals.

5. Your Lordship will observe that the expenditure is classed under the heads "Permanent" and "Temporary," and that a distinction is also made between Imperial and Provincial expenditure. The total additional expenditure sanctioned during the year was 2,69,88,486 rupees, of which 2,38,49,989 rupees was Imperial, and 31,38,497 rupees was Provincial. If, however, we deduct the expenditure sanctioned on account of the Expeditionary Force sent to Egypt, amounting to 1,80,00,000 rupees, the whole of which, as your Lordship will remember, was not spent (*see* paragraph 131 of the Financial Statement for 1883–84), the total is reduced to 89,88,486 rupees, of which 58,49,989 rupees was Imperial, and 31,38,497 rupees was Provincial. This is a very large amount, but a careful examination of the details is required before any con-

clusions in respect to the general growth of expenditure can be deduced from these figures. In the case of a great many items the expenditure is only nominal.

6. It is clear that, although a very careful watch should indeed be kept over temporary expenditure, a permanent increase of expenditure should be watched even more jealously.

7. The permanent increase of expenditure during the year was 4,77,533 rupees, of which 2,48,550 rupees was Imperial, and 2,28,983 rupees was Provincial.

8. Turning, first, to the permanent increase in Imperial expenditure, amounting to 2,48,550 rupees, it is to be observed that the largest amount (62,320 rupees) falls under *Political*. The largest items under this head are 19,476 rupees and 5,640 rupees, making in all 25,116 rupees, being the cost of establishing an Agency at Kabul and news-writers at Kandahar and Herat. The cost of the increased establishment necessary for the Mysore Residency, consequent on the rendition of the Mysore territory to the Native Government, was 5,220 rupees during the year. The remaining increase under *Political*, amounting to 31,984 rupees, is made up of a number of small items, of which the details will be found in paragraph 18 of the Resolution.

9. The next largest head is 41,196 rupees under *General Administration*. This is principally due to the revival of the appointment of Member of the Supreme Council in charge of the Public Works Department, and to the increase sanctioned for the Office of the Accountant General, Public Works Department. An establishment, estimated to cost 2,790 rupees in 1882-83, was sanctioned for the new Currency Office at Rangoon, but there was no actual expenditure during the year, owing to the difficulty of organising an establishment for the purpose.

10. The head *Forest* comes next in order of importance. The increase during the year amounted to 40,112 rupees. Of this, 35,000 rupees is due to the reorganisation of the Superior Staff of the Forest Department throughout the Bengal Presidency. The necessity for this reorganisation was long felt. The amount is well laid out, as it will tend to increase the efficiency of the Department, and improve the status of its officers. Moreover, as the Department is a growing one, it is to be expected that with the increase of revenue the expenditure will increase also.

11. The increase of 19,441 rupees under *Land Revenue* is almost entirely due to the revision of the scale of pay of the Taluk establishment in Coorg. The revenue of the province has largely increased since the assumption of Coorg by the British Government in 1834, but the pay of the establishments generally has remained almost stationary. The increase has been a measure necessary for securing efficiency.

12. The increase under *Opium* (18,927 rupees) is due to the revision of the pay of the officers of the Opium Department, which took effect from 1st November 1882. In future years the extra cost will be 54,300 rupees. This money is also well laid out, as it will certainly lead to increased efficiency, and probably to an increase of revenue, in so far as any such increase depends on improved administration.

13. The increase of 14,320 rupees under *Territorial and Political Pensions* is mainly due to a grant of 800 rupees a month to General Yagat Jung, and to an allowance of 10,000 rupees a year to Syud Yakub Khan Torah. Both of these allowances were given for political reasons, and they will, of course, lapse on the death of the recipients.

14. The remaining heads do not call for any special remarks. The *Post Office* and the *Telegraph* Department are growing Departments, the expenditure under which must be expected to increase as the revenue increases.

15. On the whole, we consider that the record as regards increases to permanent Imperial expenditure is satisfactory.

16. Turning

16. Turning to temporary Imperial expenditure, the total, deducting 1,80,00,000 rupees for the Expeditionary Force to Egypt, amounts to 56,01,439 rupees.

17. The increase under *Land Revenue* is 1,46,789 rupees, the main item being an additional grant of 1,00,000 rupees made to the North-Western Provinces and Oudh to bring up the Imperial assignment for the cadastral surveys of the permanently settled districts in those provinces to half the cost of the surveys, this being the proportion of the cost which it was agreed should be paid by Imperial revenues. An additional grant of 26,765 rupees was also found necessary for the survey and settlement of the district of Cachar in the Province of Assam.

18. Of the total increase under *Forest*, namely, 1,87,754 rupees, 1,08,500 rupees was in Burma, and was the result of more extended timber operations in that province—operations expected to yield an increase of 2,37,000 in revenue compared with budget. An increase of 75,000 rupees occurs in the North-Western Provinces and Oudh, and represents a portion of two lakhs required in 1882-83 and 1883-84 to enable the Forest Department to supply 300,000 sleepers for the Patna-Baraitch Railway, and to cut up wood not fit for sleepers into planks for sale. The sale of the sleepers and planks is expected to yield four lakhs of rupees.

19. The increase of 7,36,600 rupees under *Opium* is almost entirely due to the purchase of 2,000 maunds of Malwa opium, costing 7,20,000 rupees for manufacture into excise opium for consumption in India. The money will be recovered from the Provincial Governments, and by them from the consumers. The result, so far as the Imperial Government is concerned, is that we shall be enabled by so much to increase our reserve of Bengal opium.

20. The increased expenditure under *General Administration*, namely, 28,076 rupees, is made up of a number of small items, which are given in detail in para. 35 of the Resolution.

21. There was a considerable temporary increase of expenditure under *Scientific and other Minor Departments*, namely, 1,28,940 rupees. Of this, 47,253 rupees is due to additional grants on account of the census, and 12,000 rupees for expenditure on account of the Amsterdam Exhibition. An increase of 6,442 rupees took place on account of the establishment of an Epigraphical survey, and of 26,340 rupees on account of personal allowances to certain officers of the Survey Department to compensate them for slow promotion in the regular line. The remainder is made up of small items, of which details are given in para. 43 of the Resolution.

22. There is a large increase under *Political*, namely, 2,43,523 rupees. Of this amount, 24,000 rupees is due to the salary of Lieutenant Colonel Sir O. St. John. The whole of the salary of Colonel St. John has not, however, been spent, as shortly after the sanction was given Colonel St. John proceeded on furlough, and drew only the furlough allowances admissible under the rules. He was absorbed into the regular establishment on his return from furlough. Of the balance, about 1,00,000 rupees is due to expenses arising out of the Afghan War. A sum of 14,298 rupees represents expenditure incurred by His Excellency the Governor of Bombay on the occasion of his visiting Baroda for the purpose of investing His Highness the Gaekwar; 6,271 rupees is due to increased establishments for the Mysore Residency consequent on the rendition of Mysore to the Native Government.

23. The increase under *Assignments and Compensations*, namely, 1,08,850 rupees, is due to compensations granted to Native States under agreements for the abolition of transit duties on salt, and also to compensation paid to the Government of Portuguese India for loss of Customs revenue owing to the adoption of the British Tariff as revised in 1882. This money is well laid out, as it frees trade and serves, indirectly, to increase the revenue.

24. The increase under *Territorial and Political Pensions* is almost entirely due to the re-purchase of certain jewels sold by the ex-Nawab Nazim of Bengal

at a cost of 96,358 rupees. It was thought advisable for political reasons to incur this charge.

25. The increase under *Miscellaneous* is 68,053 rupees, the main item being 38,133 rupees on account of the pay and travelling allowances of Mr. Peacock, President of a Committee appointed to collect evidence regarding the working of the Police systems on the Eastern Bengal, the Northern Bengal, the Great Indian Peninsula, the Oudh and Rohilkhand, and the Sind, Punjab, and Delhi Railways, in order to admit of a comparison being made between these systems and the system in force on the East Indian Railway. The items which make up the remainder of the increase are shown in detail in para. 47 of the Resolution.

26. Under *Railways* the increase amounts to 4,91,060 rupees. The principal items are 1,61,000 rupees on account of land provided free of cost as stipulated in the contract for the Bengal Central Railway, and 3,23,000 rupees on account of land required for the Patna-Baraitch Railway. The latter amount is under present arrangements to be eventually repaid to the Government out of the half profits over six per cent.; but a proposal is now before your Lordship regarding the relinquishment of the claim of Government to half profits over six per cent.; and, if the proposal be accepted, the land will have been provided free of cost.

27. The total increase under *Civil Buildings, Roads, and Services,* is 18,57,158 rupees. The principal items are as follows:—

(1.) 5,50,000 rupees, being grant for Secretariat buildings at Simla. This will save expenditure on account of office rents which are now being paid.

(2.) 4,47,204 rupees for the purchase of the Bengal Iron Works. This money will be repaid to the Government in the event of the Works being sold to a private Company.

(3.) 50,000 rupees for cost of repairs of the Sulkea Salt Golahs in Bengal. These repairs were very much required, and it would have been false economy to have delayed them.

(4.) 1,00,000 rupees, being expenditure on clerks' quarters at Simla. This is really capital expenditure, as rent will be charged on the quarters.

(5.) 5,50,000 rupees expended on the Salt Works at Uru in the Bombay Presidency. This expenditure is productive, as it will increase the supply of salt.

28. The increase under *Army,* exclusive of the cost of the Egyptian Expedition, is 24,950 rupees. Of this amount, 12,200 rupees is compensation for camels lost during the Afghan War.

29. The increase of 6,21,800 rupees under *Productive Public Works* does not, of course, affect the ordinary Revenue and Expenditure Account. The item of 5,67,000 rupees is a transfer from Provincial to Imperial on account of expenditure on the Madras Harbour Works, and is intimately connected with the sum of 6,50,000 rupees, which is a contribution from Imperial to Provincial (*see* para. 54 of the Resolution). There were a number of outstanding financial questions with the Madras Government which were finally settled on the occasion of the Honourable Major Baring's visit to Madras last winter. It was then agreed, on behalf of the Imperial Government, to give back this sum of 5,67,000 rupees to the Madras Government. The result is that in the total of sanctioned expenditure this figure is entered twice.

30. We have already mentioned (para. 16) that, exclusive of the Egyptian expenditure, the total temporary increase of Imperial expenditure amounted to 56,01,439 rupees. Of this amount, however, if we deduct 6,21,800 rupees under *Productive Public Works,* and 5,67,000 rupees under *Contributions,* making a total of 11,88,800 rupees, a balance remains of 44,12,639 rupees. Of this latter sum, however, 1,08,500 rupees was, as already explained (paragraph 18), advisedly given for extended forest operations from which largely increased revenue was expected;

expected; 75,000 rupees under *Forest* will be repaid to the Government by the Patna-Baraitch Railway; 7,20,000 rupees is for the purchase of opium which will be resold; 49,850 rupees under *Assignments and Compensations* is really due to a reduction of taxation, being compensation given to Native Princes for the loss of transit duties on salt; 3,23,000 rupees under *Railways* will eventually be repaid to Government under existing arrangements; 4,47,204 rupees under *Civil Buildings, Roads, and Services* will be repaid when the Bengal Iron Works are sold; 1,00,000 rupees under *Civil Buildings, Roads, and Services*, being the amount expended on clerks' quarters, is really an investment, as rent will be paid; 5,50,000 rupees under *Civil Buildings, Roads, and Services*, for Secretariat Buildings, is also an investment, as rents for offices at Simla will be saved; 5,50,000 rupees, also under *Civil Buildings, Roads, and Services*, being the amount spent on the Uru Salt Works, will, it may confidently be anticipated, be productive of an increase of revenue. Adding these sums together, we get a total of 29,23,554 rupees. If we deduct this from the figure given above, of 44,12,639 rupees, we arrive at a figure of 14,89,085 rupees. This, therefore, represents approximately the increase of unrecoverable expenditure sanctioned temporarily during the year. And even of this, it must be remembered, that a considerable portion is in a sense productive.

31. The Permanent Provincial expenditure sanctioned during the year amounted to 2,28,983 rupees. This, however, is a net figure. There was a small saving of 433 rupees under *Excise* due to the abolition of the post of Assistant to the Collector of Calcutta. The increase of expenditure under other heads amounted to 2,29,416 rupees.

32. Under *Land Revenue* additional expenditure to the amount of 24,700 rupees was sanctioned, the principal item being 13,645 rupees in Madras, due to the revival of the appointment of Director of Revenue Settlements, and to the increase of 100 rupees a month to the pay of the Agricultural Reporter who will be Personal Assistant to the Director.

33. The increase of 84,812 rupees under *Forest* is principally due to the moiety which the Local Governments have to bear on account of the cost of reorganising the superior staff of the Forest Department in the Bengal Presidency, and also to the additional cost involved in the reorganisation of the Madras Forest Department.

34. The increase of 11,993 rupees under *General Administration* is due to the grant of a local allowance of 500 rupees a month to the Commissioner of Peshawar; to the extension of the system of the audit of local accounts in Bengal; and to the division of the Hanthawaddy District in Burma into two districts.

35. The increase of 24,550 rupees under *Scientific and other Minor Departments* is due to the creation of a Directorship of Agriculture in Assam, and of an Assistant Directorship in the North-Western Provinces and Oudh.

36. Under *Law and Justice* additional expenditure to the extent of 12,588 rupees was sanctioned. This was mainly due to the creation of a second grade Senior Judgeship at Broach in the Bombay Presidency.

37. Increased expenditure to the extent of 42,542 rupees was sanctioned under *Police*. Of this amount, 12,092 rupees occurred in Burma, and is due to the necessity of increasing the strength of the Police Department in that Province, and of revising the pay of the police serjeants of the Rangoon Town District Police. Further, 17,100 rupees was required in Madras to strengthen the police force of the Hill Tracts of the Northern Circars.

38. The remaining items of Provincial permanent expenditure do not appear to call for any special remark.

39. Turning to provincial temporary expenditure, it is to be observed that the total increase sanctioned amounted to 29,09,514 rupees. Of this amount, 1,05,470 rupees occurs under *Land Revenue*. The principal items are 45,572 rupees, being an additional grant for the survey and settlement of the Cachar District in the Province of Assam, and 34,000 rupees for the preparation of a survey map of the Tanjore District of the Madras Presidency.

The other increases are made up of small items, and are given in detail in paragraph 73 of the Resolution.

40. Under *Forest* increased expenditure to the extent of 2,03,454 rupees was sanctioned. Of this amount, 1,08,500 rupees was in Burma, and, as has been already explained (paragraph 18), is due to extended timber operations; 75,000 rupees was in the North-Western Provinces and Oudh, and is on account of the supply of sleepers to the Patna-Baraitch Railway.

41. Increased expenditure amounting to 27,997 rupees was sanctioned under *General Administration*. The principal item is 17,888 rupees in Madras, being an advance payment, to be recovered in four equal annual instalments, from the contract allowance of his Excellency the Governor.

42. An increase of 30,651 rupees occurred under *Scientific and other Minor Departments*. The details are given in paragraph 85 of the Resolution.

43. Increased expenditure to the amount of 2,28,704 rupees was sanctioned under *Law and Justice*. Full details are given in paragraph 80 of the Resolution.

44. No further explanations beyond those which are given in paragraphs 81 and 82 of the Resolution are necessary as regards the increase of expenditure of 11,475 rupees under *Police*, and 23,875 rupees under *Marine*.

45. The increase of 14,50,900 rupees under *Railways* is almost entirely due to an additional allotment made by the Lieutenant Governor of the North Western Provinces and Oudh for the construction of the Cawnpore-Farakhabad Railway, and for railway workshops at Fatehgarh.

46. Increased expenditure to the extent of 1,11,791 rupees was sanctioned under *Civil Buildings, Roads, and Services*. Of this amount, a sum of 60,000 rupees was granted by the North-Western Provinces Government to the Agra Municipality for the purpose of improving the water supply in that city. The remaining increases are made up of small amounts, and are given in detail in paragraph 90 of the Resolution.

47. The sum of 6,00,000 rupees under *Contributions* is a grant by the Bengal Government to Local Funds for feeder-roads.

48. It will be seen, therefore, that of a total sum of 29,09,514 rupees, 1,08,500 rupees was due to extended timber operations in Burma; 75,000 rupees was due to the supply of sleepers to the Patna-Baraitch Railway, which will be repaid to the Government; 14,50,000 rupees was for expenditure on the Cawnpore-Farakhabad Railway; 6,60,000 rupees (namely, 60,000 rupees to the Agra Municipality, and 6,00,000 rupees for feeder-roads in Bengal) was due to works which will directly increase the material prosperity of the country. These figures added together make a total of 22,93,500 rupees, leaving a balance of 6,16,014 rupees for other miscellaneous expenditure.

49. We wish to explain that this Despatch and its accompanying Resolution were drafted before the receipt of your Lordship's Despatch, No. 183, of 28th June 1883, and before the report of the recent debate in the House of Commons on Indian expenditure had reached India.

We have, &c.

Ripon.
D. M. Stewart.
E. Baring.
T. F. Wilson.
C. P. Ilbert.
S. C. Bayley.
T. C. Hope.

Enclosure in No. 4.

RESOLUTION of the Government of India, 3 August 1883; No. 2447.

1. FROM the commencement of the financial year 1882-83, a record has been kept in the Financial Department of all sanctions which have been given to fresh expenditure; this record, it will be understood, includes all expenditure which, under existing rules, required the sanction of the Government of India in the Financial Department.

2. The total amount of additional expenditure sanctioned from 1st April 1882 to 31st March 1883 is shown in the following table:—

	Imperial.	Provincial.
	Rs.	*Rs.*
Permanent - - - - -	2,48,550	2,28,983
Temporary - - - - -	2,36,01,439	29,09,514
Total - - - *Rs.*	2,38,49,989	31,38,497

I.—IMPERIAL (PERMANENT).

3. The permanent increase of Imperial expenditure took place under the following heads:

	Rs.
5. Land Revenue - - - - - - - - - -	19,441
6. Opium - - - - - - - - - - -	18,927
9. Excise - - - - - - - - - - -	— 433
12. Assessed Taxes - - - - - - - - -	136
13. Forest - - - - - - - - - -	40,112
14. Registration - - - - - - - - - -	3,695
15. Post Office - - - - - - - - - -	6,258
16. Telegraph - - - - - - - - - -	2,381
17. Mint - - - - - - - - - - -	2,250
18. General Administration - - - - - - - -	41,196
19. Law and Justice - - - - - - - - -	319
20. Police - - - - - - - - - -	7,027
21. Marine - - - - - - - - - -	4,275
23. Ecclesiastical - - - - - - - - -	132
25. Political - - - - - - - - - -	62,320
26. Scientific and other Minor Departments - - - -	3,628
27. Territorial and Political Pensions - - - - - -	14,320
29. Superannuation Allowances and Pensions - - - -	19,102
47. Military Works - - - - - - - - -	66
49. Army - - - - - - - - - -	3,398
Total - - - *Rs.*	2,48,550

4. *5. Land Revenue.*—The increase of 19,441 rupees is made up of the following items:—

	Rs.
(India) Revision of the scale of pay for Taluk establishments in Coorg - - - - - - - - - - -	19,308
(India) Entertainment of an additional Gomastah on 15 rupees a month for Mahadeopet, Coorg, with effect from 5th June 1882. (This is part of the revised scale of Taluk establishments in Coorg) - - - - - - - - - -	133
Total - - - *Rs.*	19,441

I.—IMPERIAL (PERMANENT)—*continued.*

5. *6. Opium.*—The increase of 18,927 rupees is made up of the following items:—

	Rs.
(Bengal) Expenditure of *Rs.* 46. 14. a year, on account of rent of the land adjoining the weighing godown of the Ghazipur Opium Factory - - - - - - - - - -	47
(Bengal) Revision of pay of the officers of the Opium Department, Bengal, involving an extra cost of 54,300 rupees a year, with effect from 1st November 1882 - - - - - -	18,100
(Bombay) Revision of the Opium Establishment in Bombay for the purpose of carrying out a complete registration and inspection of the opium traffic, involving an additional expenditure of *Rs.* 474. 8. a month - - - - - - -	780
Total Increase - - - *Rs.*	18,927

6. *9. Excise.*—The saving of 433 rupees in Bengal was due to the abolition of the post of Assistant to the Collector of Calcutta as a separate appointment by which a saving of 250 rupees a month is effected.

7. *12. Assessed Taxes.*—The increase of 136 rupees is on account of a special allowance of 125 rupees a month to the Deputy Collector of Madras for the performance of work connected with the License Tax, with effect from the 13th January 1883; also increase to the establishment employed in the collection of License Tax in Madras, involving an extra cost of 35 rupees a month, with effect from 7th July 1882.

8. *13. Forest.*—The increase of 40,112 rupees is made up of the following items:—

	Rs.
(Bengal Presidency) Reorganisation of Superior Staff of the Forest Department, with effect from 3rd September 1882 (moiety of additional cost) - - - - - - - - - - -	35,000
(Bombay) An annual expenditure of 54 rupees on account of rent for lands occupied by the Linganmat and Khanapur wood depôts in the Southern Forest Division of Bombay - -	27
(Bombay) Expenditure of 19 rupees a month on account of the rent of certain plots of land required by the Forest Department in Sind - - - - - - - - - - -	85
(Assam) Increases to the Forest establishments and office establishments of Conservators of Forests in Assam from 2,149 rupees to 3,209 rupees a month, or 1,060 rupees, involving an annual increase of 12,720 rupees. The excess over the Budget grant for 1882–83 may be assumed at 10,000 rupees, the Chief Commisioner's sanction having taken effect from 1st May 1882 in some cases, and 1st July in others - -	5,000
Total Increase - - - *Rs.*	40,112

9. *14. Registration.*—The increase of 3,695 rupees is made up of the following items:—

	Rs.
(Bengal) Entertainment of a clerk on 40 to 50 rupees a month and a peon on 7 rupees a month for the office of the Registrar of Joint Stock Companies - - - - - - - - -	188
(Madras) Revision of salaries of the special Registrars and Sub-Registrars in the Madras Presidency, resulting in an increase of 11,812 rupees a year - - - - - - - - -	3,445
(India) Increased pay to some Registrars and Sub-Registrars in Coorg, involving a net increase of 22 rupees a month - -	62
Total Increase - - - *Rs.*	3,695

I.—IMPERIAL (PERMANENT)—*continued.*

10. *15. Post Office.*—The increase of 6,258 rupees is made up of the following items:—

	Rs.
(India) Revision of salaries of the office establishment of the Rangoon Post Office, involving an increase of 225 rupees a month	2,250
(India) Increase to certain postal establishments involving an additional expenditure of 230 rupees a month	2,300
(India) Appointment of an additional superintendent on 200 rupees a month, to inspect the Indian Post Offices in the Persian Gulf and Turkish Arabia, and to examine their accounts	1,290
(India) Grant to the Postmaster and all the officials of the Aden Post Office, of a special allowance on account of night-work, fixed at five days' pay for each month, amounting to *Rs.* 117. 13. 4. a month	354
(India) Entertainment of two inspectors on 150 rupees a month each, for supervising the District Post in Burma	64
Total Increase - - - *Rs.*	6,258

11. *16. Telegraph.*—The increase of 2,381 rupees is a net figure, and is made up of the following items :—

	Rs.
(India) Increase of *Rs.* 145. 4. a month to the establishment charges of the Persian Gulf Telegraph Department	1,450
(India) Increase to the pay of the Deputy Director of the Persian Gulf Telegraph Department from 1,250 rupees a month to 1,125 rupees, rising to 1,500 rupees a month, with an immediate increase of 50 rupees a month	550
(India) Expenditure of 150 rupees a month on account of pay of two posts of levies to be entertained at Chappar and Kach	1,800
(India) Entertainment of a clerk on 40 rupees a month in the Telegraph Office at Moulmein	200
(India) Reorganisation of the establishment of the Indo-European Telegraph Department, resulting in a net saving of 1,007 rupees a month	— 2,014
(India) Increase to the pay of the Head Accountant of the Office of the Examiner of Telegraph Accounts from 250 rupees to 340 rupees (pay of 2nd Grade Accountant), to 350 rupees to 450 (pay of 1st Grade Accountant)	70
(India) Appointment of a second message draft sorting clerk, on a salary of 25 rupees a month, for the Madras Signal Office, with effect from the 1st February 1883	25
(India) Entertainment in the Office of the Director General of Telegraphs of an additional clerk on 50 rupees a month, for the preparation of store accounts to be annually submitted to Government	300
Net Increase - - - *Rs.*	2,381

12. *17. Mint.*—The increase of 2,250 rupees is due to the appointment of Signor Moscetti as Assistant Engraver to the Calcutta Mint, on a pay of 250 rupees, rising to 300 rupees a month.*

13. *18. General Administration.*—The increase of 41,196 rupees is made up of the following items :—

	Rs.
(India) Revision of salaries of the translators attached to the Legislative Department of the Government of India, at an increased cost of 20 rupees a month	200
(India) Increase to Military Works Branch of the Military Secretariat, costing 230 rupees a month	2,300
(India) Revised scale of establishment for the office of the Accountant General, Public Works Department, involving an additional expenditure of 865 rupees a month	4,700
(India) Establishment for the Currency Office at Rangoon, costing 165 rupees a month	2,790†

* Signor Moscetti vacated the appointment shortly after joining, owing to ill-health, and no new officer has since been appointed.

† The Currency Office Establishment in Rangoon has not yet been got together.

I.—IMPERIAL (PERMANENT)—*continued.*

	Rs.
(India) An additional clerk on 35 rupees, rising to 50 rupees, and a duftry on 7 rupees a month, required by the Legislative Department for carrying out certain improvements in the system of distributing the Indian Law Reports - - -	206
(India) Appointment of Honourable Mr. T. C. Hope as a Member of the Viceroy's Council in charge of the Public Works Department - - - - - - - - - - - -	31,000
Total Increase - - - *Rs.*	41,196

14. *19. Law and Justice.*—The increase of 319 rupees is made up of the following items:—

	Rs.
(India) Grant of a salary of 20 rupees a month to the clerk for the new Registration Office, on the introduction of the Registration Act III. of 1877 into the Settlements of Port Blair and the Nicobars, instead of 10 rupees a month allowed to the clerk employed in the convict Registry Office - - - - -	65
(India) Entertainment of a bheestie for the lock-up at Beawar at 2 rupees a month, and another for the lock-up at Todgarh at 1 rupee a month - - - - - - - - - -	36
(India) Entertainment of a small ministerial establishment for the Judicial Commissioner of Coorg, involving an extra cost of 145 rupees a month - - - - - - - - -	173
(India) Increase of *Rs.* 22. 8. a month to the salary of the foreman carpenter attached to the Marine Department of the Settlement of Port Blair and Nicobars - - - - -	45
Total Increase - - - *Rs.*	319

15. *20. Police.*—The increase of 7,027 rupees is a net figure, and is made up of the following items:—

	Rs.
(India) Grant of 2,920 rupees, or 10 rupees per head, for the clothing of the Peshin and Quetta Police - - - - -	2,920
(India) Organisation of a regular police force in Coorg, involving an extra cost of 889 rupees a month - - - - - -	3,556
(India) Reorganisation of certain branches of the Thuggee and Dacoity Department, resulting in a saving of 62 rupees a month	— 186
(Punjab) Initial expenditure of 750 rupees, and a monthly expenditure of 315 rupees, for additional police force required on the portion of the Rewari-Ferozepore Railway from Rewari to Hissar - - - - - - - - - - -	630
(India) Increase to the pay of the 13 Naib Tomandars of the Thuggee and Dacoity Department from 20 rupees to 30 rupees a month each, at an aggregate annual cost of 1,560 rupees -	107
Net Increase - - - *Rs.*	7,027

16. *21. Marine.*—The increase of 4,275 rupees is made up of the following items:—

	Rs.
(India) Creation of the appointment of a Director and a Deputy Director, Indian Marine, and the abolition of the appointment of Superintendents of Marine, Calcutta and Bombay, and of the Secretary to the Superintendent, Calcutta, involving a monthly increase of 50 rupees, with effect from 1st April 1882	550
(India) Revision of the Office Establishment of the Director of Indian Marine, costing 745 rupees a month, with effect from 3rd October 1882 - - - - - - - - -	3,725
Total Increase - - - *Rs.*	4,275

17. *23. Ecclesiastical.*—The increase of 132 rupees is made up of the following items:—

	Rs.
(India) Entertainment of a mali on 12 rupees a month for the Quetta cemetery - - - - - - - - -	72
(Assam) Entertainment of a mali-chowkidar, on 7 rupees a month, for the Dhubri cemetery, with effect from 15th June 1882 -	60
Total Increase - - - *Rs.*	132

I.—IMPERIAL (PERMANENT)—*continued.*

18. *25. Political.*—The increase of 62,320 rupees is a net figure, and is made up of the following items:—

	Rs.
(India) Revision of the office establishment of the Muscat Political Agency, involving an increased expenditure of *Rs.* 62. 8. a month	686
(India) Entertainment from 1st January 1882 of news-writers at Kandahar and Herat, with establishments, at a monthly cost of 470 rupees	5,640
(India) Increased office establishment for the Assistant Political Agent at Busreh, Turkish Arabia	792
(India) Pay of the British Agent, and the cost of establishments for the Agency at Cabul, at 1,723 rupees a month	19,476
(North-Western Provinces and Oudh) Expenditure on account of the Kuka prisoners in the Chunar Fort	50
(India) Payment of 100 rupees a month as charge allowance, for a period not exceeding four months in the year, to the officer who may be appointed to the charge of the duties of the Residency Surgeon, Indore, during the absence of the latter officer on tour with the camp of the Agent Governor General, Central India, in the cold season	400
(Madras) Addition of two gullas to the establishment of the Government Treasury at Bangalore on 8 rupees a month each	176
(India) Entertainment of two peons in the office of the Assistant to the Agent, Governor General, in charge of Peshin, on 8 rupees a month each	192
(India) Addition of 480 rupees a month to the Marri service, for the purpose of maintaining a small post of levies in the Pajjah plain, and of providing some suitable employment for Sirdar Mehrulla Khan's eldest son, Khair Bakhsh	4,320
(Punjab) Allowances to Saleh Muhammad Khan, Zamber Khel, and Sultan Muhammad Malik, Din Khel, the amount being added to the grant for Khyber subsidies	2,200
(Madras) Grant of a monthly allowance of 120 rupees for the permanent record establishment of the office of the Resident, Mysore	1,320
(India) Increased Allowance of 150 rupees a month to the Agency Surgeon, Indore, and to the Superintendent General of Dispensaries and Vaccination in Rajputana	3,600
(Punjab) Payment to the British Aksakul in Yarkund of 400 rupees, being his salary for the year ending 30th June 1882	400
(Bombay) Pay of the Native Assistant to the Political Agent at Rewa Kantha, which was reduced in 1880 from 300 rupees to 200 rupees a month, being restored to 300 rupees	800
(Punjab) Allowance of 250 rupees a month, with effect from the 1st July 1882, to each of the Kizilbash Sirdars, Habibulla Khan and Amir Mahomed Khan	4,000
(Bombay) Entertainment of an establishment, costing 1,032 rupees a year, for the maintenance of the garden attached to the bungalow at Kurrachee, which is reserved for the accommodation of Mirs and other persons of rank	1,032
(Madras) Increased establishment for the Mysore Residency	5,220
(Assam) Entertainment of a Burmese interpreter for the Political Agency at Manipur on 20 rupees a month	240
(Punjab) Revised scale of subordinate establishment for the Political Officer, Khyber, resulting in a saving of 150 rupees a month	—825
(Punjab) Allowance of 120 rupees a year for the maintenance of the tomb of the famous Sikh General, Harri Singh Nalwa	120
(India) Redistribution of the proposed grant of 500 rupees a month to the Barozai Sirdars, and the establishment of a post at Narigorge for the protection of trade and the Railway buildings there	2,000
(Punjab) Allowance of 300 rupees a month to Kazi Abdool Kadir, late British news-writer at Cabul, with effect from 1st October 1882	1,500

I.—IMPERIAL (PERMANENT)—*continued.*

	Rs.
(India) Establishment of small dispensaries at Gulistan, Khushdill Khan, Thall Chotiali, and Kuch, each under the charge of a Hospital Surgeon, at a total cost of 260 rupees a month -	1,300
(North-Western Provinces and Oudh) Subsistence allowance of 30 rupees a month for life to Rao Hamir Sing, a political detenu - - - - - - - - - - - -	360
(India) Increased establishment for the Boundary Commissioner at Baroda, involving an extra cost of 35 rupees a month -	420
(Assam) Appointment of an Assistant Political Officer at Sadiya to control political relations with the Abors and the neighbouring tribes - - - - - - - - - -	2,550
(Assam) Entertainment of a clerk on 40 rupees a month, and two peons on 7 rupees a month each, for the office of the Assistant Political Agent, Sadiya - - - - - - - -	162
(Punjab) Appointment of an Assistant to the Inspector General of Police, Punjab, on a salary of 500 rupees a month, with an extra allowance of 100 rupees a month, and of an Inspector under him on 200 rupees a month, with effect from the 1st April 1882 (moiety) - - - - - - - - -	4,400
(India) Revision of the arrangements for the protection of the road and telegraph line in Pishin, resulting in a saving of 175 rupees a month - - - - - - - - -	—2,100
(Punjab) Maintenance of a conservancy establishment at Jamrud costing *Rs.* 130. 8. a month - - - - - - - -	718
(North-Western Provinces and Oudh) House-rent to the Political Agent in charge of the Ex-Amir Yakub Khan, at 1,700 rupees a year - - - - - - - - - -	1,700
(Punjab) Revised rates of pay for the Political Officer, Khyber, and his Assistant, resulting in a saving of 100 rupees a month	—577
(India) Revision of the establishment of the Biluchistan Agency, entailing an additional expenditure of 75 rupees a month -	48
Net Increase - - - *Rs.*	62,320

19. *26. Scientific and other Minor Departments.*—The increase of 3,628 rupees is made up of the following items:—

	Rs.
(India) Appointment of an additional Zilladar of the 2nd class, on 25 rupees a month, for the Horse-Breeding Department in the Amritsar District - - - - - - - - -	250
(Bombay) Increase of 100 rupees a month to the pay of Mr. H. Cousens, Head Assistant in the Archæological Survey Department, Bombay - - - - - - - - -	1,100
(India) Permanent appointment, with retrospective effect from the 16th May 1882, of a chaprassi on 7 rupees a month, for the Office of the Meteorological Reporter to the Government of India - - - - - - - - - - - -	67
(India) Entertainment of an additional computer in the Office of the Meteorological Reporter to the Government of India, on 45 rupees rising to 55 rupees a month, with effect from 3rd April 1882 - - - - - - - - - - -	495
(India) Appointment of Mr. E. Burke as Veterinary Overseer of the North-Western Provinces Stallion Depôt Stables, on a salary of 100 rupees rising to 150 rupees a month, with effect from the 24th May 1882 - - - - - - - -	926
(India) Allowance of 15 rupees a month for the Meteorological Observer at the Seychelles Island - - - - - -	120
(India) Substitution of civilian for military observers at the four 2nd class observatories at Deesa, Poona, Kurrachee, and Belgaum, at an increascd cost of 720 rupees a year - - -	390
(India) Increase of 10 rupees a month to the pay of the Mortuary Clerk, Ajmere - - - - - - - - - -	40
(India) Employment of two assistant observers at the 2nd class observatories of Bellary and Trichinopoly, at 10 rupees each a month, with effect from December 1881 - - - - -	240
Total Increase - - - *Rs.*	3,628

I.—IMPERIAL (PERMANENT)—*continued.*

20. *27. Territorial and Political Pensions.*—The increase of 14,320 rupees is made up of the following items:—

	Rs.
(India) Allowance of 800 rupees a month to General Jagat Jang, in addition to 700 rupees paid by the Nipal Durbar	8,800
(Punjab) Allowance of 440 rupees a year for life to Ali Akbar Khan, of Kilabut in the Hazara District, in addition to the allowance he at present enjoys	220
(Punjab) Allowance of 10,000 rupees a year for life to Saiyad Yakub Khan Torah, subject to good conduct and on the understanding that any future claims on the Kashmir Durbar are thereby cancelled, with effect from the 1st September 1882	5,000
(Punjab) Maintenance allowance of 50 rupees a month for life to Babu Khan in recognition of his services to the English hostages in Cabul in 1841 and 1842, with effect from the 1st September 1882	300
Total Increase - - - *Rs.*	14,320

21. *29. Superannuation Allowances and Pensions.*—Under this head the sanctions not covered by ordinary rules amounted to 19,102 rupees.

22. *47. Military Works.*—The increase of 66 rupees is due to the revision of the pay of the jemadars and peons in the office of the Inspector General of Military Works, involving an extra cost of 11 rupees a month.

23. *49. Army.*—The increase of 3,398 rupees is made up of the following items:—

	Rs.
(Bengal) Payment of 150 rupees a month, or 1,800 rupees a year, to the Kuki Khel Afridis for the supply of water to the fort at Jumrood	1,800
(Bengal) Maintenance of a conservancy establishment at Jumrood costing *Rs.* 130. 8 *a.* a month (moiety)	718
(Bengal) Additional allowance of 80 rupees a month for the office of the Assistant Adjutant General, Punjab Frontier Force, with effect from the 1st April 1882	880
Total Increase - - - *Rs.*	3,398

II.—IMPERIAL (TEMPORARY).

24. The temporary increase of Imperial expenditure took place under the following heads:—

	Rs.
4. Assignments and Compensations	1,08,850
5. Land Revenue	1,46,789
6. Opium	7,36,600
7. Salt	1,661
8. Stamps	100
12. Assessed Taxes	1,130
13. Forest	1,87,754
15. Post Office	293
16. Telegraph	28,112
17. Mint	7,552
18. General Administration	28,076
19. Law and Justice	1,610
20. Police	9,297
21. Marine	6,282
22. Education	13,899
23. Ecclesiastical	2,730
24. Medical	20,240
25. Political	2,43,523
26. Scientific and other Minor Departments	1,28,940
27. Territorial and Political Pensions	96,958
29. Superannuation Allowances and Pensions	39,170
30. Stationery and Printing	13,350
31. Miscellaneous	68,053

II.—IMPERIAL (TEMPORARY)—*continued.*

		Rs.
36 & 37.	Railways	4,91,060
46.	Irrigation and Navigation	502
48.	Civil Buildings, Roads, and Services	18,57,158
49.	Army	24,950
50.	Military operations in Egypt	1,80,00,000
52 to 55.	Productive Public Works	6,21,800
	Contributions	7,15,000
	Total *Rs.*	2,36,01,439

25. *4. Assignments and Compensations.*—The increase of 1,08,850 rupees is made up of the following items:—

	Rs.
(India) Compensation to his Highness the Maharao of Kotah for loss sustained on account of the abolition of transit duties on salt, at the rate of 16,000 rupees a year, with effect from August 1879	48,000
(India) Compensation to the States of Bundi, Tonk, and Shahpura on account of the abolition of transit duties on salt for the period prior to the execution of the agreement	1,850
(Bombay) Compensation to the Government of Portuguese India for the loss of Customs revenue caused by the adoption of the British Tariff as revised in 1882	59,000
Total Increase *Rs.*	1,08,850

26. *5. Land Revenue.*—The increase of 1,46,789 rupees is made up of the following items:—

	Rs.
(North Western Provinces and Oudh) Additional grant of 1,00,000 rupees in excess of the moiety, 5,80,000 rupees, estimated for cadastral survey in the North Western Provinces and Oudh	* 1,00,000
(Assam) Expenditure on the survey and settlement of Cachar	26,765
(India) Additional Grant of 5,000 rupees each to the cadastral survey parties of Ghazipore and Mirzapore	† 10,000
(Burma) Deputation Allowance of 50 rupees a-month to Mr. Dowman, surveyor, 4th grade, while in charge of Waste Lands Grant Party in the Arracan District	350
(India) Local Allowance of 100 rupees a month to Major Beavan, Assistant Superintendent, 2nd grade, in charge of the Biluchistan Survey, with effect from 27th November 1882	313
(India) Deputation of a special officer of experience from the North Western Provinces, for a term of three years, on a salary of 1,500 rupees a month, for the purpose of conducting the revision of the Ajmere settlement	3,750
(Assam) Further expenditure for the demarcation of the southern boundary line between "A" villages in the Garo Hills District and the Khas Garo Hills villages	111
(India) Cost of construction of a fortified post and masonry well at Mace in the Sibi District	5,500
Total Increase *Rs.*	1,46,789

27. *6. Opium.*—The increase of 7,36,600 rupees is made up of the following items:—

	Rs.
(Bengal) Construction of sheds at Mussowra, Paleegunge, and Bucktearpore in the Patna Sub-Agency, for weighing opium and making advances to the cultivators	6,000
(Bengal) Purchase of 2,000 maunds of Malwa opium for the Bengal Excise Department	7,20,000
(Bengal) Deputation allowance of 200 rupees a-month, in addition to his pay of 300 rupees a-month, to Mr. H. Hastings, Personal Assistant to the Opium Agent, Benares, for the period during which he was on special duty at Indore in connection with the scheme for the supply of Malwa opium for excise purposes	600

* This lump assignment represents the Imperial share. The amount will be expended in connection with the Cadastral Survey in a series of years.

† Half of this will be recovered from Provincial revenues.

II.—IMPERIAL (TEMPORARY)—*continued.*

	Rs.
(Bengal) Purchase of the bungalow at Ballia in the Ghazipur Sub-Division of the Benares Agency, for the purpose of conducting the weighments and settlements of the Ballia Sub-Division -	10,000
Total Increase - - - *Rs.*	7,36,600

28. *7. Salt.*—The increase of 1,661 rupees is made up of the following items:—

	Rs.
(India) Charge allowance of 250 rupees a month to Mr. R. J. Whitten, Deputy Commissioner, Northern India salt revenue, for officiating as Commissioner from the 3rd to the 19th February 1882 - - - - - - - - - -	152
(India) Purchase of the house occupied by the peons of the Malgin salt mines in Kohat - - - - - - - - -	80
(India) Writing off of the amount stolen from a party who were taking money to Mozufferpore for payment to the salt establishment employed there - - - - - - - -	449
(India) Extra grant to cover excess expenditure incurred in the Kohat District during 1881-82 - - - - - -	280
(Bombay) Cost of providing ballast, water tanks, and cooking apparatus, for the boat under construction for the use of the assistant collector of salt revenue at Goa - - - - -	700
Total Increase - - - *Rs.*	1,661

29. *8. Stamps.*—The increase of 100 rupees is a moiety of the cost of two hand-presses purchased for the collector of stamps, Calcutta.

30. *12. Assessed Taxes.*—The increase of 1,130 rupees is a net figure, and is made up of the following items:—

	Rs.
(Madras) Allowance of 125 rupees a month to the deputy collector of Madras for the performance of work connected with the license tax, with effect from the 13th January 1883, and increase to the establishment employed in the collection of license tax in Madras, involving an extra cost of 35 rupees a month, with effect from 7th July 1882 - - - - - -	101
(Bengal) Grant of an allowance of 250 rupees a month to the collector of Calcutta for extra work imposed upon him in connection with the License Tax Act - - - - - -	1,375
(Bengal) Abolition of the post of assistant to the collector of Calcutta, who is also head assessor of license tax, resulting in a saving of 200 rupees a month - - - - - - -	—346
Net Increase - - - *Rs.*	1,130

31. *13. Forest.*—The increase of 1,87,754 rupees is made up of the following items:—

	Rs.
(Punjab) Special allowance of 200 rupees a month to the forest officer of Bushahr, who is also political assistant to the superintendent of the Hill States in the Punjab - - - - -	1,100
(Assam) Moiety of special local allowance of 100 rupees to the district forest officer stationed in the Garo Hills - - -	450
(India) Cost of clearing lines through the jungle in the Sibi District, in order to demarcate forest limits - - - - -	200
(Punjab) Moiety of consolidated monthly travelling allowance to the forest ranger in charge of the range inside the fence of the Changa Manga plantations in the Lahore division of the Punjab - - - - - - - - - - - -	42
(India) Cost of a tent for the inspector general of forests - -	500
(Burma) Moiety of additional grant for forest expenditure in British Burma - - - - - - - - - - -	*1,08,500

* The items marked * and † under "Forests" were sanctioned on the distinct understanding that the receipts arising from these sleeper operations would exceed the expenditure.

II.—IMPERIAL (TEMPORARY)—*continued.*

	Rs.
(Bombay) Moiety of travelling allowance of 50 rupees a month to Mr. R. E. Kanga, Mamlatdar of Sinnar, while employed on special forest duty in the Nasik Collectorate	112
(North-Western Provinces and Oudh) Moiety of additional grant on account of the supply of sleepers to the Patna-Bahraitch State Railway	†75,000
(Bombay) Moiety of deputation allowance to Mr. Betham, of the Forest Department, Bombay	75
(Punjab) Moiety of rent paid to the Raja of Mandi for the right of collecting waif timber in part of the Beas river, which flows through his territory	75
(India) Addition to the Coorg Forest Budget grant to meet the increased pay and allowances of Mr. F. B. Dickenson, assistant conservator of forests, consequent on his promotion to third grade deputy conservator	1,500
(India) Cost of printing some portion of the Manual of Sylviculture for the use of forest officers	200
Total Increase - - - *Rs.*	1,87,754

32. *15. Post Office.*—The increase of 293 rupees is made up of the following items :—

	Rs.
(India) Writing off of the unrecoverable balance of *Rs.* 84. 13 *a.* stolen from the Bahadarganj Sub-Post Office on the 24th January 1882	65
(India) Writing off from the books of the Poona Post Office of 100 rupees lost in the mail robbery of 11th September 1882 between Kirkee and Chakan in the Poona District	100
(India) Writing off of the sum stolen from the Canning Town Sub-Post Office on the 1st April 1882	128
Total Increase - - - *Rs.*	293

33. *16. Telegraph.*—The increase of 28,112 rupees is made up of the following items :—

	Rs.
(India) Expenditure on the construction of a telegraph line from Sharigh to Kach	3,700
(India) Cost of 1,000 copies of "Williams's Manual for Telegraph Employés"	3,000
(India) Payment to Mr. W. P. Johnston, electrician, in lieu of royalty claimed by him for having invented certain instruments, the use of which has enabled the Government to effect a saving of expenditure	3,600
(India) Conveyance allowance of 50 rupees a month each to the five officers of the Telegraph Department who are in technical charge of two or more telegraph offices in the same station	625
(India) Additional allotment on account of rent of signal offices in India	2,000
Honorarium of 5,000 rupees to Mr. Mance, of the Persian Gulf Telegraph Department, for his services in connection with the development of heliography	5,000
Grant of reward to certain members of the Indo-European Telegraph Establishment for extra work during the late Egyptian Campaign	10,115
Grant of reward to certain members of the Telegraph Department for extraordinary service rendered by them, in restoring telegraph communication between Madras and Ongole	72
Total Increase - - - *Rs.*	28,112

34. *17. Mint.*—The increase of 7,552 rupees is made up of the following items :—

	Rs.
(Bombay) Entertainment of Mr. T. W. English for five years to work the automaton weighing machines at the Bombay Mint, on a salary of 250 rupees rising to 350 rupees a month	2,750

† The items marked * and † under Forests were sanctioned on the distinct understanding that the receipts arising from these sleeper operations would exceed the expenditure.

II.—IMPERIAL (TEMPORARY)—*continued.*

	Rs.
(Bombay) Grant to Mr. T. W. English, who has been appointed for the purpose of working the new automaton weighing machines in the Bombay Mint, of house-rent allowance at 40 rupees a month - - - - - - - - -	212
(Bombay) Cost of certain alterations, additions and improvements in the Assay Office of the Bombay Mint - - - - -	3,000
(Bombay) Cost of a map of Bombay purchased by the Mint Master	30
(Bombay) Purchase of books for the Library of the Bombay Mint	300
(India) Honorarium of one month's pay to Messrs. Clark, Wareham, and Purchase, of the Engineering establishment of the Calcutta Mint, in recognition of their services in connection with the experimental manufacture of cartridge metal - -	1,260
Total Increase - - - *Rs.*	7,552

35. *18. General Administration.*—The increase of 28,076 rupees is made up of the following items :—

	Rs.
(India) Personal allowance of 30 rupees a month to Mr. C. Chater, a clerk in the Military Secretariat - - - - - -	330
(India) Extra allowance of 80 rupees a month to Mr. J. A. Heberlet, a 1st class clerk in the Military Secretariat, for being in charge of the Calcutta Branch of that Department during the absence of the head-quarters of the Government of India at Simla in 1882 - - - - - - - -	640
(India) Salary of Mr. R. Logan, B.C.S., Officiating Under Secretary to the Government of India in the Department of Finance and Commerce, whilst on special duty under the Government of India in that Department - - - - -	3,780
(India) Continued retention to the end of 1882-83 of the temporary establishment sanctioned for the Savings Bank Branch of the Comptroller General's Office - - - - - - -	2,920
(India) Entertainment in the Military Secretariat of certain temporary establishments, costing 442 rupees a month, consequent on the increase of work in connection with the preparations for sending an Indian contingent to Egypt - -	3,094
(India) Establishments, costing 197 rupees a month, for the work of the circle offices at Calcutta and Bombay in connection with the issue of stock notes - - - - - - -	1,182
(Madras) Entertainment of a clerk on 50 rupees a month for the work of the circle office at Madras in connection with the issue of stock notes - - - - - - - - -	300
(India) Entertainment in the Military Department, Calcutta, for a period of two months, of two extra clerks, on 35 rupees each, to assist in the additional work thrown on that Department in connection with the engraving, examining and distributing of Afghan medals and clasps - - - - - - - -	140
(India) Additional grant to meet excess expenditure on account of " Service Telegrams " of the Home Department for the year 1882-83 - - - - - - - - - -	2,000
(India) Extra allowance of 50 rupees a month to Mr. A. H. Wilson, a 4th class clerk of the Military Department, raised to 100 rupees a month - - - - - - - - -	183
(India) Expenditure not exceeding 456 rupees a year for connecting No. 1, Harrington-street, the Government Press, and 55, Park-street, by a telephone line - - - - -	228
(India) Additional expenditure of 60 rupees a year for connecting No. 1, Harrington-street, with No. 1, Dalhousie-square, by a telephone line - - - - - - - - -	30
(India) Allowance of 150 rupees a month from 19th April 1882 to Mr. G. W. DeRhe Philipe, a clerk in the Military Department, for making a complete and annotated collection of despatches relating to the military operations of the British nation in India from the earliest times - - - - -	1,575
(India) Retention for a period, not exceeding two months, of the two extra clerks entertained in the Military Department on account of additional work in connection with the distribution of the Afghan medals - - - - - - - - -	140

II.—IMPERIAL (TEMPORARY)—*continued.*

	Rs.
(India) Retention at Simla during the winter season of 1882-83 of an establishment in charge of the records of the Foreign Department, at a monthly cost of *Rs.* 28. 8. 10. - - -	143
(India) Salary of Mr. R. J. Crosthwaite, Officiating Judicial Commissioner, Central Provinces, for two months, whilst officiating as an Additional Secretary to the Government of India in the Legislative Department, on account of the very heavy additional work in that Department in connection with the Bengal Tenancy Bill - - - - - - - -	7,000
(India) Personal allowance of 3,000 rupees a year to Mr. Mackenzie, Secretary in the Home Department, with effect from 8th January 1883 - - - - - - - - -	444
(India) Retention of two clerks for a further period of two months for additional work in connection with the distribution of Afghan medals, with effect from 1st February 1882 - -	140
(India) Grant to Mr. W. F. Agnew for the services of a clerk to assist him in preparing the index to the enactments relating to India - - - - - - - - - - -	150
(India) Reward to certain members of a section of the Comptroller General's Office for extra work imposed upon them in connection with the revised classification of accounts and the preparation of the Budget Estimate for 1883-84 - - -	750
(Bombay) A supplemental grant of 2,800 rupees to meet extraordinary contingent charges of the Office of the Accountant General, Bombay - - - - - - - - -	2,800
(Madras) Travelling expenses from Madras to Ootacamund and back of the Honourable Mr. Mackenzie, a non-official member of the Madras Legislative Council, for attending the meeting of that Council held at Ootacamund on the 26th August 1882 - - - - - - - - - - - -	107
Total Increase - - - *Rs.*	28,076

36. *19. Law and Justice.*—The increase of 1,610 rupees is made up of the following items:—

	Rs.
(India) Charge allowance of 100 rupees a month to Major Dalrymple for being in temporary charge of the Office of Cantonment Magistrate, Neemuch, in addition to his other duties, from 18th August to 29th October 1881 - - - -	235
(India) Allowance of 250 rupees a month to the Chief Judge of Mysore for performing the duties of the Judicial Commissioner of Coorg - - - - - - - - - -	1,375
Total Increase - - - *Rs.*	1,610

37. *20. Police.*—The increase of 9,297 rupees is made up of the following items :—

	Rs.
(Punjab) Continued entertainment up to 31st March 1883 of the additional police establishment for the Indus Valley State Railway - - - - - - - - - - -	3,173
(Punjab) Cost of saddlery supplied to the Jezailchi Corps in the Khyber - - - - - - - - - - -	1,668
(Punjab) Expenditure upon the repair of lines constructed for the occupation of the Jezailchi Corps stationed at Loarji - -	500
(Bombay) Excess charges incurred on account of the police on the Western Rajputana State Railway - - - -	3,156
(Punjab) Initial expenditure for additional police force required on the portion of the Rewari-Ferozepore Railway from Rewari to Hissar - - - - - - - - - - -	750
(Bombay) Office rent at 5 rupees a month for the Inspector of Police, Western Rajputana State Railway, for a further period of 12 months from 1st May 1882 - - - - - -	50
Total Increase - - - *Rs.*	9,297

II.—IMPERIAL (TEMPORARY)—*continued.*

38. *21. Marine.*—The increase of 6,282 rupees is made up of the following items:—

	Rs.
(India) Additional expenditure for taking over the steam launch "Eden" for submarine mining service at Rangoon - - -	6,000
(Bombay) Expenditure on account of provisions supplied to the pilgrim passengers per S.S. "Hesperia" while that vessel was detained in quarantine at Aden in August 1882 - - -	282
Total Increase - - - *Rs.*	6,282

39. *22. Education.*—The increase of 13,899 rupees is made up of the following items:—

	Rs.
(Punjab) Grant for the purchase of a parsonage and the building of a school-house for the education of the children of the Eurasian clerks and the middle classes generally at Simla -	12,000
(India) Excess expenditure of the Mayo College for 1882-83 -	1,649
(India) Expenditure of 250 rupees incurred in the Office of the Board of Examiners on account of contingent charges - -	250
Total Increase - - - *Rs.*	13,899

40. *23. Ecclesiastical.*—The increase of 2,730 rupees is made up of the following items:—

	Rs.
(Bengal) Payment to the Church of Scotland Additional Clergy Society as refund of passage money of the Reverend J. Henderson of Meerut, who has been appointed to a Chaplaincy on the Bombay Ecclesiastical Establishment - - - - -	1,500
(Bengal) House allowance of 90 rupees a month to the Reverend J. Willcocks, Chaplain of St. James's Church, Calcutta, for a period of two months, during which the parsonage attached to the church was under repair - - - - - - -	180
(North Western Provinces and Oudh) Allowance of 100 rupees a month to Reverend G. H. McGrew for ministering to the Presbyterian troops at Cawnpore, with effect from 1st September 1882 - - - - - - - - - -	600
(Bombay) Cost of replacing the altar cloth stolen from the Malegaon Church - - - - - - - - - -	150
(Bengal) Grant towards the cost of Communion plate and an altar cloth for the church at Jellapahar - - - - -	300
Total Increase - - - *Rs.*	2,730

41. *24. Medical.*—The increase of 20,240 rupees is due to the Imperial subscription to the Simla Hospital, and to the grant of a special allowance of 30 rupees a month to the Assistant Surgeon in charge of the Rawalpindi Hospital for supervising the sanitary arrangements in connection with the railway employés at that place.

42. *25. Political.*—The increase of 9,43,523 rupees is a net figure, and is made up of the following items:—

	Rs.
(India) Salary of Lieutenant Colonel St. John, appointed a supernumerary Resident of the 2nd class, at 2,000 rupees a month -	24,000*
(India) Personal allowance of 200 rupees a month to Major F. A. Wilson, from the date on which he was relieved by Major Clerk of the office of Tutor to his Highness the Nizam of Hyderabad to 10th February 1882 - - - - - - - -	600
(Burma) House-rent allowance of 100 rupees a month to Shah Zemani Begum, wife of Prince Jewan Bukht, and also an allowance of 100 rupees a month, in addition to the previous allowance of 250 rupees, to meet the cost of a separate establishment - - - - - - - - - - -	2,200
(India) Donation to Sirdar Muhammad Hussain Khan of Kandahar - - - - - - - - - - - -	5,000
(North Western Provinces and Oudh) Grant to Rao Hamir Sing, a Government detenu at Moradabad - - - - - -	200

* This increase is nominal. The appointment was created only with the object of increasing the furlough allowance of Lieutenant Colonel St. John, who was to be absorbed in the regular line on his return from furlough.

II.—IMPERIAL (TEMPORARY)—*continued.*

	Rs.
(India) Salary of Assistant Surgeon Abdur Rahim as Native Assistant to the Resident in the Persian Gulf, at 350 rupees a month	2,520
(Assam) Deputation allowance to Major Beresford from 13th November 1881 to 13th February 1882 whilst in charge of the political duties connected with the establishment of the Nizam Ghat outpost	450
(North Western Provinces and Oudh) Grant of 6,000 rupees to Sirdar Yahya Khan in lieu of the house allowance of 50 rupees a month drawn by him	6,000
(India) Cost of 14 sets of insignia of the Indian Empire	4,935
(Bombay) Expenditure incurred by his Excellency the Governor of Bombay in visiting Baroda for the purpose of investing his Highness the Gaekwar in December 1881	14,298
(India) Cost of land required for the purpose of extending the limits of the Ajmere Cantonment	3,336
(India) Cost of four elephants purchased for the ex-Amir Yakub Khan	8,000
(North Western Provinces and Oudh) Travelling expenses of four followers of the ex-Amir Yakub Khan returning to their homes	300
(India and North Western Provinces and Oudh) Grant of 6,000 rupees to the ex-Amir Yakub Khan for the purchase of two houses at Mussoorie, in lieu of the monthly house-rent allowance of 200 rupees	6,000
(India) Allowance of 100 rupees a month to Mr. Ingle, Treasury Officer at Quetta, in addition to his present salary of 800 rupees a month	600
(Assam) Purchase of furniture for the Manipur Residency	3,500
(Punjab) Grant to Sirdars Naib Mir Muhammad Khan and Muhammad Rahim Khan, Afghan refugees, of a lump sum of 20,000 rupees in satisfaction of all claims to increased allowances	20,000
(India) Personal allowance of 200 rupees a month to Nawab Hasan Ali Khan	2,400
(India) Cost of new tents purchased for the Eastern Rajputana States Agency	2,761
(India) Increased allowance of 150 rupees a month to the Surgeon of the Mysore Commission	1,800
(India) Special deputation of Rai Bahadur Hittu Ram, C.I.E., for a period not exceeding six months, with an establishment costing 246 rupees a month, for the purpose of assisting the officers of the Biluchistan Agency in revising the revenue administration of the various districts under their charge	1,476
(Punjab) Compensation to Gohram Khan, a Shambani Bugti, late a Jemadar in the Punjab Frontier Militia, for loss sustained by him in consequence of certain orders passed by Mr. Gladstone, the Officiating Deputy Commissioner of Dera Ghazi Khan	800
(Bombay) Further expenditure for the repairs of the Muscat Agency buildings	2,253
(India) Cost of new tents purchased for the Political Agency at Bhopal	3,000
(India) Cost of new tents purchased for the use of the Agent, Governor General, Central India	2,983
(Punjab) Remittance of 500 rupees to Haji Atta-Ulla Khan, who is believed to be now in confinement in the Daur Valley	500
(Bombay) Reduction in the allowances of certain Kandahar refugees from 2,400 rupees to 670 rupees a month	—12,110
(Bombay) Initial expenditure on the garden attached to the bungalow at Kurrachee which is reserved for the accommodation of Mirs and other persons of rank	500
(Bombay) Continuance of the allowance of 2 rupees and 4 rupees a day, respectively, to the two Kandahari refugees, Shere Ali and Sirdar Azizulla Khan	2,160
(Punjab) Writing off, as a present, the sum of 10,000 rupees lent to the Khan of Lalpura	10,000
(India) Cost of a new shamiana purchased for the Bundelkhand Political Agency Office	700

II.—IMPERIAL (TEMPORARY)—*continued.*

	Rs.
(Punjab) Present to Munshi Abdul Wahab for services rendered in Afghanistan	100
(Madras) Increased establishment for the Mysore Residency	6,271
(Punjab) Allowance of 200 rupees a month to Lieutenant R. Broome for the period during which he was placed in charge of the Kabul Sirdars, Mustaufi Habibulla Khan and Wazir Shah Muhammad, at Murree	620
(India) Expenditure incurred on behalf of the ex-Amir Yakub Khan prior to the grant to him of a fixed allowance	26
(India) Expenses incurred by Sirdar Muhammed Afzul Khan, British Agent at Kabul, on his journey to Simla in July 1881	500
(India) Expenditure incurred in supplying water to the Mhairwara Battalion at Ajmere	123
(Bombay) Cost of a boat purchased for the Muscat Consulate to replace the present one, which is reported to be unserviceable	800
(Punjab) Continuance of the allowance of 100 rupees a month to a clerk in the Office of the Commissioner of Peshawar on account of increased political work in connection with Kabul affairs, and conversion of the allowance of 50 rupees a month to the Superintendent or Deputy Superintendent of the same office into a personal allowance to Pundit Isur Doss, so long as he retains his present office	1,800
(Bengal) Payment to Tendook Palger, Tashildar of Darjeeling, of so much of the sum of 15,000 rupees as will enable him to buy up the share of his nephew Samun Sering in certain villages	15,000
(Assam) Salary of the Burmese clerk who accompanied Mr. R. Phayre on the commission appointed to demarcate the boundary between Assam and Manipur	1,100
(Bombay) Entertainment of an establishment costing 36 rupees a month for working two six-pounder guns in Kathiawar for saluting purposes	36
(Punjab) Travelling expenses of Ali Muhammad Khan to Kabul	200
(Punjab) Allowance of 100 rupees a month to Sirdar Sultan Muhammad Khan of Kabul	600
(Punjab) Cost of providing carpets and of building a latrine for the house occupied by Mustaufi Habibulla Khan and Wazir Shah Muhammad, Afghan detenus	176
(India) Continuance up to 17th May 1882 of the special allowance of 500 rupees a month to Lieutenant-Colonel W. G. Waterfield, Officiating Agent to the Governor General in Beluchistan	1,750
(India) Expenditure incurred for the protection of the British cemeteries at Kandahar	2,127
(India) Cost of a horse purchased by Munshi Ghulam Mohi-ud-din, clerk to the British Agent at Kabul	80
(India) Sum paid to Sheikh Usman, an Afghan, who was in the service of Government from September 1880, but whose services are no longer required	600
(Bombay) Appointment of a Second Assistant to the Agent, Governor General, at Baroda, on a salary of 650 rupees a month, instead of the Residency Surgeon, resulting in a saving of *Rs.* 443. 2. a month	—2,659
(India) Part of the salary of the Additional Political Agent, Eastern States of Rajputana, also contribution payable thereon towards pension and leave allowances, with effect from 6th September 1882	2,333
(Punjab) Expenditure of 540 rupees a year, which has hitherto been met from the forfeited allowance of 2,000 rupees a year formerly paid to the Jowaki Afridis	225
(India) Extra expenditure on the purchase of a shamiana for the use of the Political Agent, Bundelkhand	50
(Bombay) Cost of tents purchased for the Baroda Agency	4,146
(Punjab) Pay and travelling expenses of Kazi Abdul Kadir, the late news-writer at Kabul	6,100
(India) Reward paid to Haji Ata-ulla Khan	2,000
(India) Certain charges of the Political Agency at Beluchistan heretofore held under objection	7,469

II.—IMPERIAL (TEMPORARY)—*continued.*

	Rs.
(North-Western Provinces and Oudh) Expenditure incurred in the removal of Rao Hamir Singh, a political detenu, from Moradabad to Pali	400
(India) Payment to the Chartered Mercantile Bank of India, London, and China, of the cost of 12 sets of Insignia of the Order of the Indian Empire	4,304
(Punjab) Advance to Sirdar Abdul Wahid Khan, eldest son of Sirdar Sikandar Khan, to enable him to join his father in Persia	500
(Bombay) Expenditure on the obsequies of Bai Vakut Kuverba, one of the widowed Ranis of the late Raja of Mundai	4,500
(India) Additional expenditure on the repairs of the Government buildings at Zanzibar	1,200
(Punjab) Expenditure incurred in connection with the Zaimusht expedition	10,417
(North-Western Provinces and Oudh) Expenses of the "Ganna" ceremony of Kunwar Bhir Bahadar Sing, grandson of the late Raja Bulwunt Sing of Benares	2,000
(Punjab) Payment of a lump sum to Sirdar Muhammad Nasir Khan, an Afghan refugee, to enable him and his followers to go to Mecca	5,000
(India) Cost of new tents purchased for the Political Agency at Jacobabad	2,200
(India) Revival of the allowance of 1,000 rupees a month to Sirdar Muhammad Alum Khan from the date of his return from Afghanistan, so long as he remains in India and is of good conduct	679
(India) Charging off in the Quetta Treasury accounts for May 1882 of 5,108 rupees on account of a deficit in the Kandahar accounts	5,108
(India) Entertainment of an extra Munshi under Sirdar Muhammad Afzal Khan, British Agent at Kabul, on 80 rupees a month till 1st April 1883	200
(India) Payment to the Chartered Mercantile Bank of India, London, and China, of the cost of 20 sets of Insignia of the Order of the Indian Empire	7,455
(India) Expenditure on the repairs of the Spirsang-Prangdara road, between Spirsang and Kam Dakka	7,000
(India) Payment in settlement of Miss Poyntz's claim against the Burmese Embassy	2,000
(Punjab) Sum paid to the family of Sirdar Sharif Khan to enable them to proceed to Bagdad	500
(North-Western Provinces and Oudh) Marriage expenses of the sister of Diwan Nirbhi Singh, grandson of the ex-Raja of Banpur in Bundelkhand	1,000
(Punjab) Maintenance of two Bozdar hostages to be located at Dera Ghazi Khan	54
(Bombay) Further expenditure incurred on account of carriage of tents purchased for the Agent, Governor General, at Baroda	358
(India) Cost of the special train from Ruk to Sibi in November 1882 on the occasion of Major Sir R. Sandeman, Agent, Governor General, Biluchistan, proceeding to meet His Excellency the Commander-in-Chief at the latter place	425
(India) Entertainment of certain extra establishment in the Office of the Agent, Governor General, in Biluchistan	630
(India) Rent of an office room used by Mirza Hassan Ali Khan at Quetta at 5 rupees a month, with effect from 1st June 1882	45
(India) Additional contingent expenditure of the Nepal Residency during 1882-83	550
(Punjab) Grant to Besud Sirdar Abdul Khalik Khan in recognition of his Services during the late war	10,000
(India) Entertainment of an additional Munshi on the establishment of the British Agent at Kabul on a pay of 80 rupees a month from 5th February to 31st March 1883	69
(India) Retention until a vacancy occurs of the services of Captain Wyllie as a supernumerary 3rd Class Political Agent from 26th October 1882, the date on which he completed the winding up of the affairs of the late ex-Gaekwar of Baroda	4,194
Total Net Increase — *Rs.*	2,43,523

II.—IMPERIAL (TEMPORARY)—*continued.*

43. *26. Scientific and other Minor Departments.*—The increase of 1,28,940 rupees is made up of the following items:—

	Rs.
(North-Western Provinces and Oudh) Addition to census assignment	11,400
(India) Increase of 10 rupees a month to the house-rent allowance of the Head Draftsman, and a salary of 150 rupees, rising to 200 rupees, a month to a head clerk in the Office of Curator of Ancient Monuments in India	1,600
(India) Payment to the Honourable Mr. Hunter, Director General of Statistics, on account of the preparation of an abridged edition of the Imperial Gazetteer	3,000
(India) Cost of a set of instruments, and erection of observatory sheds, &c., for taking earthquake observations, to be met, if possible, from savings in the Geological Survey Department Budget grant for 1882–83	2,000
(India) Expenditure incurred on account of outfit and passage of two ghee-makers sent from Cawnpore to Australia in connection with the late Melbourne Exhibition	438
(India) Expenditure in connection with the compilation of the North Western Provinces Provincial Gazetteer	6,300
(India) Expenditure in connection with the International Exhibition at Amsterdam	12,000
(India) Cost of reprinting 2,000 copies of the pamphlet compiled by Veterinary Surgeon J. Meyrick, entitled "Zeenut-ul-Kheyl"	1,616
(India) Cost of supplying raw products for the Belgian and Italian Exhibitions	2,000
(India) Supplementary Expenditure of the Office of the Ceusus Commissioner for India during 1882–83	15,133
(India) Continuance of the monthly allowance of 20 rupees for the Ladakh Observatory to Assistant Surgeon Hira Lal for such time as he may discharge the meteorological duties	240
(Bombay) Additional grant made with a view to expedite the completion of the work of copying the paintings at Ajanta	3,586
(India) Deputation allowance of 250 rupees a month to Dr. Nolan, from 6th June to 16th July 1882, during which period he held charge of the office of the Meteorological Reporter for Western India	337
(India) Honorarium to Mr. H. B. Medlicott, Superintendent of the Geological Survey of India, for supervising and seeing through the Press a collection of Papers on the Geology of Burma	500
(India) Appointment of Colonel Depree, a Deputy Superintendent of the first grade, as Deputy Surveyor General in charge of the Topographical Branch, with a consolidated salary of 2,000 rupees a month	947
(India) Travelling expenses from Bombay to Simla of Mr. W. L. Dallas, appointed in England to the office of Scientific Assistant to the Meteorological Reporter	262
(India) Establishment of an Epigraphical Survey of India, and the appointment of Mr. J. F. Fleet, Bombay Civil Service, as Epigraphist, on a salary of 1,400 rupees a month and travelling allowance for a term of three years	6,323
(India) Payment to the Mauritius Government of the expenses incurred in forwarding to India the return emigrants from Réunion who were stranded at the Seychelles	5,562
(India) Writing off of the sum stolen from the treasure chest of No. 6 Topographical Survey Party at Shillong	826
(Assam) Census charges in Assam during 1882–83	4,520
(India) Entertainment of establishment for Mr. Fleet, Epigraphist to the Government of India	119
(Madras) Continued employment for a further period of three months of Mr. R. Sewell on the special duty of completing his second archæological volume	3,600
(India) Cost of sending to Australia trial consignments of Indian products	4,000
(India) One-third expenditure on account of furniture for the office of the Education Commission	91
(India) Grant of personal allowance to certain officers of the Survey Department as compensation for slow promotion in the usual course of service	26,340
(Punjab) Additional grant of 16,200 rupees for census	16,200
Total Increase *Rs.*	1,28,940

II.—IMPERIAL (TEMPORARY)—*continued.*

44. *27. Territorial and Political Pensions.*—The increase of 96,958 rupees is made up of the following items:—

	Rs.
(Bengal) Re-purchase of certain jewels sold by the ex-Nawab Nazim; the purchasers will receive the prices paid by them for the jewels	* 96,358
(Punjab) Continuance of the allowance of 50 rupees a month to Mirza Sultan Hassan, late Superintendent of Settlements in Kurram	600
Total Increase *Rs.*	96,958

45. *29. Superannuation Allowances and Pensions.*—The sanctions under this head, which were not covered by ordinary rules, amounted to 39,170 rupees.

46. *30. Stationery and Printing.*—The increase of 13,350 rupees is made up of the following items:—

	Rs.
(India) Cost of new presses required for the Government Central Press, Calcutta	12,000
(India) Portion of the rent of the house, 1, Fancy-lane, taken from 1st October 1882 for the accommodation of the Press establishment of the Private Secretary to His Excellency the Viceroy	1,350
Total Increase *Rs.*	13,350

47. *31. Miscellaneous.*—The increase of 68,053 rupees is made of the following items:—

	Rs.
(India) Reward to Mr. Sequeira, a clerk in the office of the Political Agent, Turkish Arabia, for special services rendered by him on the occasion of the wreck of the s.s. "City of London"	200
(India) Pay and travelling allowance as Commissioner of the Presidency Division, Bengal, in addition to a deputation allowance of 10 rupees a day, granted to Mr. F. B. Peacock, President of the Railway Police Commission	38,133
(India) Cost of passage from Madras to Calcutta and back of the servant of the Rev. Father Jean, D.D., a member of the Education Commission	120
(India) Entertainment of a clerk on 50 rupees a month from 1st January 1883, 7 chaprassis on 7 rupees a month each from 9th idem, and 1 chaprassi on 7 rupees a month from 4th December 1882, for the Committee of the Education Commission	205
(India) Certain charges incurred on account of the office-keeper and chaprassi who accompanied the President of the Education Commission on tour	282
(India) Cost of the clerical assistance needed by the Statistical Committee appointed by the Education Commission	150
(India) Expenditure on account of furniture required for the Office of the Education Commission, one-third of the cost being debited to the Office of the Director General of Statistics	181
(North-Western Provinces and Oudh) Writing off of the amount of claim decreed in the case of Sheo Singh Rai and Nihal Singh *versus* Government, in which two Government Promissory Notes of the value of 17,000 rupees were embezzled by the Head Clerk of the Meerut Collector's Office	17,000
(Bombay) Charging-off of the expenditure incurred in the rescue and relief of the shipwrecked crew of the Russian steamer "Moscowa"	11,782
Total Increase *Rs.*	68,053

* The jewels have to be re-purchased from several parties. The charge is likely to be distributed over more than one year.

II.—IMPERIAL (TEMPORARY)—*continued.*

48. *36 and 37. Railways.*—The increase of 4,91,060 rupees is made up of the following items :—

	Rs.
(Punjab) Double horse allowance at 30 rupees a month to Mr. Bruff, Mechanical Draftsman, employed in connection with the erection of machinery in the Sukkur Workshops	330
(India) Cost of luncheons provided for the Members of the Railway Conference which met at Simla	400
(India) Special bonus for the year 1881 to the Punjab Northern State Railway Provident Institution	4,000
(India) Additional charges on account of land required for the Bengal Central Railway	1,61,000
(India) Horse allowance at 15 rupees a month to the Assistant Surgeon in charge of the Civil Hospital at Peshawar, for affording medical aid to the employés of the Punjab Northern State Railway	30
(Punjab) Allowance of 30 rupees a month to Assistant Surgeon Sada Nand for supervising the conservancy arrangements at the Attock Bridge, with effect from 1st May 1882	300
(Bengal and North-Western Provinces) Cost of land required for the Patna-Baraitch Railway	3,23,000
(Bombay) Appointment of Mr. Gilhooly, on the Southern Mahratta Railway, on a salary of 300 rupees a month	900
(Bengal) Personal allowance of 100 rupees a month to Mr. C. E. Dissent, Assistant to the Consulting Engineer for Guaranteed Railway	1,100
Total Increase *Rs.*	4,91,060

49. *46. Irrigation and Navigation.*—The increase of 502 rupees is due to the reward granted in the Madras Presidency to the members of the anicut establishment employed on the head works at Bezwada for services rendered by them during the heavy flood in the Kistna in July 1882.

50. *48. Civil Buildings, Roads, and Services.*—The increase of 18,57,158 rupees is made up of the following items :—

	Rs.
(Punjab) Grant for Secretariat buildings at Simla	5,50,000
(India) Appointment for one year of Ritter C. Von Schwarz to the charge of the Bengal Iron Works	7,650
(Punjab) Grant for "Peterhoff" at Simla	40,000
(India) Purchase of the Bengal Iron Works	*4,47,204
(Punjab) Grant for Press buildings at Simla	17,500
(Bombay) Grant for the restoration of certain bunds in Sindh	25,000
(North-Western Provinces and Oudh) Bonus to Mr. Bull in satisfaction of all claims against Government for the general use of all the improvements in brick-burning patented by him	10,000
(Bengal) Initial expenditure in connection with the manufacture of iron sleepers at the Bengal Iron Works	†58,500
(Bengal) Additional cost of the repairs of the Sulkea Salt Golahs	50,000
(Punjab) Additional expenditure for the completion of clerks' quarters at Simla during 1882-83	1,00,000
(Bombay) Additional expenditure on account of salt works at Uru	5,50,000
(Central Provinces) Honorarium to Mr. Foster, Mining Engineer, for his special services at the Warora Collieries	500
(India) Temporary employment of Mr. G. Scott, Mining Engineer, on coal exploration in the Kala Chita range on a salary of 850 rupees a month, with the travelling allowance of an Assistant Engineer, for a period not exceeding six months from 10th January 1883	804
Total Increase *Rs.*	18,57,158

* The amount was ordered to be debited under "Advances" pending final adjustment, but it has been here shown as expenditure.

† These sums were ordered to be debited under "Advances" pending final adjustment, but have been shown here under "Expenditure."

II.—IMPERIAL (TEMPORARY)—*continued.*

51. *49. Army.*—The increase of 24,950 rupees is made up of the following items:—

	Rs.
(Bengal) Payment of a lump sum of 5,000 rupees to the Kuki Khel Afridis for the supply of water to the Fort at Jumrood	5,000
(Bombay) Personal allowance of 150 rupees a month to Mr. D'Aguiar, Head Clerk of the Commissary General's Office, Bombay - - - - - - - - - - - -	900
(Bengal) Compensation to the camelmen of the Ulwar State for their camels lost during the Afghan War - - - - -	12,200
(Bengal) Cost of the abolition of the assamee system in the 1st Bengal Cavalry - - - - - - - - - -	2,350
(India) Cost of the house known as "Fuzl Huk's House" in Khairabad, Oudh, presented to Ressaldar-Major Mir Hashim Khan, Sirdar Bahadur, 12th Bengal Cavalry - - - - - -	3,000
(India) Honorarium to Apothecary T. H. Hill for the preparation of a revised edition of the Bengal Medical Regulations for British and Native Troops - - - - - - - - -	1,500
Total Increase - - - *Rs.*	24,950

52. *50. Military Operations in Egypt.*—The increase of 1,80,00,000 rupees * was due to the Expeditionary Force which was sent from India to Egypt.

53. *52 to 55. Productive Public Works.*—The increase of 6,21,800 rupees is made up of the following items:—

	Rs.
(Madras) Expenditure on the Madras Harbour Works to be met by a transfer to Imperial of a similar amount erroneously credited to Provincial - - - - - - - - - -	† 5,67,000
(Madras) Temporary appointment of Mr. Wilks, on a salary of 800 rupees a month, as Executive Engineer of one of the three Divisions formed for carrying out productive public works in the Godaveri, Kistna, and Cauvery Deltas - - - - -	2,400
(Bengal) Expenditure during 1882-83 on brick-making for the Mozufferpore-Hajipore Railway and the bridge over the Gunduck - - - - - - - - - - - - - -	50,000
Temporary appointment of Mr. J. W. McGowen as a Sub-Engineer, 1st grade, on 400 rupees a month, for a period not exceeding 12 months, for completing the Eastern Extension of the Tirhoot Railway - - - - - - - - - -	2,400
Total Increase - - - *Rs.*	6,21,800

54. *Contributions.*—The increase of 7,15,000 rupees is made up of the following items:—

	Rs.
(Bengal) Additional assignment to the Provincial Funds of Bengal on account of the re-transfer of the ship "Undaunted" - -	65,000
(Madras) Contribution from Imperial to Provincial - - -	6,50,000
Total Increase - - - *Rs.*	7,15,000

* This was, however, reduced in the Revised Estimates of the year to 1,21,92,000 rupees (gross) and 1,17,92,000 rupees (net).

† This, though an additional grant under Productive Public Works, is not practically an addition to the year's expenditure. In the Budget Estimate for 1882-83 the Government of Madras took credit erroneously for this sum under Provincial, but this credit was subsequently withdrawn, and a grant made instead for the Madras Harbour Works.

III.—Provincial (Permanent).

55. The permanent increase of Provincial Expenditure took place under the following heads:—

	Rs.
5. Land Revenue	24,700
9. Excise	—433
11. Customs	42
12. Assessed Taxes	136
13. Forest	84,812
14. Registration	3,821
18. General Administration	11,993
19. Law and Justice	12,588
20. Police	42,542
21. Marine	400
22. Education	3,483
24. Medical	1,881
26. Scientific and other Minor Departments	24,550
29. Superannuation Allowances and Pensions	16,112
30. Stationery and Printing	2,356
Total Net Increase — *Rs.*	2,28,983

56. *5. Land Revenue.*—The increase of 24,700 rupees is made up of the following items:—

	Rs.
(Bombay) Entertainment of a clerk on 30 rupees and a karkun on 15 rupees a month for the Collector's Huzur Office at Ratnagiri, and four karkuns on 15 rupees a month each, for the office of the Mamlatdars of Vingurla, Maloan, Ratnagiri, and Chiplun	1,155
(North-Western Provinces and Oudh) Deputation allowance of 200 rupees a month, with the usual travelling allowance, to an experienced Deputy Collector, for inspecting and reporting upon the management of Treasuries in the North-Western Provinces and Oudh for six months in every year, commencing from the 15th October	900
(Madras) Revival of the appointment of Director of Revenue Settlements, and an increase of 100 rupees a month to the pay of the Agricultural Reporter, who will be Personal Assistant to the Director†	13,645
(Burma) Division of the Theegwin township of the Bassein District into two townships, involving an extra cost of 250 rupees to 300 rupees a month	*2,000
(Burma) Division of the Syrian township of Hanthawaddy District into two townships, involving an extra cost of 300 rupees a month	*2,400
(Bengal) Local allowance of 100 rupees a month to the Tahsildars of Ungool and the Khondmals, in addition to their pay of 200 rupees a month	1,200
(Punjab) Acquisition of the Kasumti tract from the Raja of Keonthal with full jurisdiction, on a quit-rent of 3,400 rupees a year	3,400
Total Increase — *Rs.*	24,700

57. *9. Excise.*—The saving of 433 rupees in Bengal is due to the abolition of the post of Assistant to the Collector of Calcutta as a separate appointment, by which a saving of 250 rupees a month is effected.

58. *11. Customs.*—The increase of 42 rupees is due to the tentage allowance of 15 rupees a month to the Personal Assistant to the Commissoner of Customs, Salt, Opium, and Abkari, in the Bombay Presidency.

59. *12. Assessed Taxes.*—The increase of 136 rupees is due to a special allowance of 125 rupees a month, granted to the Deputy Collector of Madras for the performance of work connected with the license tax, with effect from 13th January 1883; also increase to the establishment employed in the collection of license tax in Madras, involving an extra cost of 35 rupees a month, with effect from 7th July 1882.

* These items have been shown under "Land Revenue," but in the accounts and estimates the charge will be distributed under the several heads of service concerned.

† This is shown under "Permanent," but the pay of the appointment will be that of a Collector of 1st Class when Mr. Wilson vacates his place.

III.—PROVINCIAL (PERMANENT)—*continued.*

60. *13. Forest.*—The increase of 84,812 rupees is made up of the following items:—

	Rs.
(Bengal Presidency) Reorganisation of superior staff of the Forest Department, with effect from 3rd September 1882 (moiety of additional cost)	35,000
(Madras) Reorganisation of the Madras Forest Department (*additional cost*)	44,700
(Bombay) Moiety of expenditure on account of rent of lands occupied by the Lingaumat and Khanapur wood depôts in the Southern Forest Division of Bombay	27
(Bombay) Moiety of the rent of certain plots of land required by the Forest Department in Sind	85
(Assam) Increases to the Forest establishments and office establishments of Conservators of Forests in Assam from 2,149 rupees to 3,209 rupees a month, involving an annual increase of 12,720 rupees. The excess over the Budget grant for 1882-83 may be assumed at 10,000 rupees, the Chief Commissioner's sanction having taken effect from 1st May 1882 in some cases, and 1st July in others	5,000
Total Increase - - - *Rs.*	84,812

61. *14. Registration.*—The increase of 3,821 rupees is made up of the following items:—

	Rs.
(Bengal) Entertainment of a clerk on 40 rupees, rising to 50 rupees a month, and a peon on 7 rupees a month, for the Office of the Registrar of Joint Stock Companies, Calcutta	376
(Madras) Moiety of the increased expenditure due to the revision of the salaries of the Registrars and Sub-Registrars in the Madras Presidency	3,445
Total Increase - - - *Rs.*	3,821

62. *18. General Administration.*—The increase of 11,993 rupees is a net figure, and is made up of the following items:—

	Rs.
(Bombay) Revision of the office establishment of the Commissioner in Sind, resulting in a saving of *Rs.* 224 8. a month	—2,245
(Punjab) Local allowance of 500 rupees a month to the Commissioner of Peshawar	6,000
(Bengal) Extension of the system of the audit of local accounts in Bengal, involving an extra cost of 1,234 rupees a month	5,453
(Burma) Division of the Hanthawaddy District into two districts, resulting in an increased expenditure amounting to 25,900 rupees a year*	2,785
Total Increase - - - *Rs.*	11,993

63. *19. Law and Justice.*—The increase of 12,588 rupees is a net figure, and is made up of the following items:—

	Rs.
(Bombay) Abolition of the appointment of Assistant Cantonment Magistrate, Poona and Kirkee, and the creation of certain other appointments, resulting in a saving of 200 rupees a month	—1,600
(Bengal) Allowance of 100 rupees a month to the Superintendent of the Hazaribagh Jail for supervising the Reformatory School at that place	1,100
(Bombay) Deputation of Mr. H. Woodward, C.S., Assistant Collector, 2nd class, on special duty connected with the Deccan Agriculturists' Relief Act, on an allowance of 10 rupees a day	1,800
(Madras) Appointment of a Superintendent for the European Prison and District Jail at Ootacamund on 300 rupees to 400 rupees, the cost of the arrangement being an increase of *Rs.* 210. 6. 8. a month	1,683

* In the estimates and accounts the charge will be distributed under the appropriate service heads.

III.—PROVINCIAL (PERMANENT)—*continued.*

(Bengal) Increase to the pay of the Deputy Superintendent, Presidency Jail, from 300 to 400 rupees to 350 rupees to 500 rupees—(this involves no increase in the present year).	*Rs.*
(Bombay) Creation of a 2nd grade Senior Assistant Judgeship at Broach on 1,000 rupees a month, with effect from 17th March 1882 - - - - - - - - - - - - -	11,500
(Bengal) Separation of the appointments of Superintendent of the Presidency Jail and Resident Surgeon of the General Hospital, Calcutta, resulting in a saving of 200 rupees a month - - - - - - - - - - -	—1,300
(Bengal) Increase to pay of the Nagri Munshi of the High Court, on the Original Side, from 40 rupees a month to 60 rupees, rising to 80 rupees a month - - - - - - - - -	120
(Bombay) Abolition of the post of Assistant Magistrate, Poona and Kirkee, and the appointment of a Native executive officer at Poona on 300 rupees a month, resulting in a saving of 200 rupees a month - - - - - - - - - -	—733
(Bombay) Increase to the pay of 4 peons attached to the Office of the Cantonment Magistrate, Aden, from 10 rupees to *Rs.* 11. 8. a month - - - - - - - - - -	18
Total Net Increase - - - *Rs.*	12,588

64. *20. Police.*—The increase of 42,542 rupees is made up of the following items:—

(Madras) Additional Expenditure incurred in connection with the proposal to increase the Police Force in the Hill Tracts of the Northern Circars - - - - - - - - - -	*Rs.* 17,100
(Bengal) Appointment of a District Superintendent of Police at Darjeeling on 500 rupees a month, in the place of an Assistant Superintendent on 400 rupees a month - - - - -	900
(Burma) Revision of the pay of Police Sergeants of the Rangoon Town District Police, involving an extra cost of *Rs.* 18,507. 8. a year - - - - - - - - - -	9,254
(Burma) Increase to the strength of the superior grades of the Police Department in Burma, involving an extra cost of 590 rupees a month - - - - - - - - - -	2,838
(Bombay) Creation of an appointment of 5th grade Superintendent of Police in the Upper Sind Frontier District, at an additional cost of 750 rupees a month, with effect from 19th November 1882 - - - - - - - - - -	2,550
(Madras) Appointment of a special Assistant Superintendent of Police to the Jeypore District on a salary of 500 rupees a month, with effect from 1st April 1882 - - - - -	5,500
(Punjab) Permanent appointment of an Assistant to the Inspector General of Police, Punjab, on a salary of 500 rupees a month, with an extra allowance of 100 rupees a month, and an Inspector under him on 200 rupees a month (moiety) - -	4,400
Total Increase - - - *Rs.*	42,542

65. *21. Marine.*—The increase of 400 rupees is due to the appointment of the Commander of the I.G.S. "Enterprise" in Burma to be *ex-officio* Inspector of Lighthouses on an allowance of 100 rupees a month.

66. *22. Education.*—The increase of 3,483 rupees is a net figure, and is made up of the following items:—

(Burma) Retention of Dr. Forchhammer's services permanently as Pali Professor in the Rangoon High School - - -	*Rs.* 3,600
(Madras) Reduction in the pay of the Manager of the Office of the Commissioner for the Uncovenanted Civil Service Examinations from 300 rupees a month to 200 rupees, rising to 250 rupees a month - - - - - - - - - -	—117
Total Net Increase - - - *Rs.*	3,483

III.—PROVINCIAL (PERMANENT)—*continued.*

67. *24. Medical.*—The increase of 1,881 rupees is made up of the following items:—

	Rs.
(Burma) Appointment of an officer as Chief of the Civil Medical Department in British Burma, in order to relieve the Deputy Surgeon General of that province of his civil medical duties -	1,650
(Madras) Reorganisation of the Establishments of the Chemical Examiner and Professor of Chemistry, Madras, resulting in an increased expenditure of 105 rupees a month - - -	231
Total Increase - - - *Rs.*	1,881

68. *26. Scientific and other Minor Departments.*—The increase of 24,550 rupees is made up of the following items:—

	Rs.
(Assam) Appointment of a Director of Agriculture for Assam on a salary of 1,000 rupees and fixed travelling allowance of 250 rupees a month, with effect from 1st April 1882 - -	13,750
(North-Western Provinces and Oudh) Appointment of Major G. D. Pitcher as Assistant Director of the Agricultural Department, Oudh, on a salary of 1,200 rupees, rising to 1,500 rupees a month - - - - - - - - - -	10,800
Total Increase - - - *Rs.*	24,550

69. *29. Superannuation Allowances and Pensions.*—The sanctions under this head not covered by ordinary rules amounted to 16,112 rupees during the year.

70. *30. Stationery and Printing.*—The increase of 2,356 rupees is made up of the following items:—

	Rs.
(Central Provinces) Increase of 50 rupees a month to the pay of the Superintendent of the Chief Commissioner's Press - -	550
(Bengal) Allowance of 50 rupees a month to Mr. Longhurst, Assistant Superintendent of Stationery, Calcutta, for visiting the Jail Press on official business, with effect from 3rd January 1882 - - - - - - - - - - -	600
(Madras) Revision of the Government Press Establishment, Madras, involving a net increase of 603 rupees a month -	1,206
Total Increase - - - *Rs.*	2,356

IV.—PROVINCIAL (TEMPORARY).

71. The temporary increase of Provincial Expenditure took place under the following heads:—

		Rs.
4.	Assignments and Compensations - - - - - -	79,797
5.	Land Revenue - - - - - - - - - -	1,05,470
7.	Salt - - - - - - - - - - -	600
8.	Stamps - - - - - - - - - -	100
11.	Customs - - - - - - - - - -	—759
12.	Assessed Taxes - - - - - - - - -	1,130
13.	Forest - - - - - - - - - -	2,03,454
18.	General Administration - - - - - - - -	27,997
19.	Law and Justice - - - - - - - - -	2,28,704
20.	Police - - - - - - - - - -	11,475
21.	Marine - - - - - - - - - -	23,875
22.	Education - - - - - - - - - -	3,593
24.	Medical - - - - - - - - - -	6,582
26.	Scientific and other Minor Departments - - - -	30,651
29.	Superannuation Allowances and Pensions - - - -	17,940
31.	Miscellaneous - - - - - - - - - -	4,914
42 to 45.	Railways - - - - - - - - - - -	14,50,900
46.	Irrigation and Navigation - - - - - - -	1,300
48.	Civil Buildings, Roads, and Services - - - - -	1,11,791
	Contributions - - - - - - - - - -	6,00,000
	Total Net Increase - - - *Rs.*	29,09,514

IV.—PROVINCIAL (TEMPORARY)—*continued.*

72. *4. Assignments and Compensations.*—The increase of 79,797 rupees is due to the payment made to Shaik Ajmodin Waikar Sarinjamdar on account of Mokasa amal due to him from 142 villages of the Erandol pargana of the Khandesh Collectorate.

73. *5. Land Revenue.*—The increase of 1,05,470 rupees was made up of the following items:—

	Rs.
(Burma) Moiety of the cost of the appointment of Mr. P. E. Isaacson, Collector of Customs, Akyab, as a Supernumerary Extra Assistant Commissioner, on 400 rupees a month - - -	1,200
(Bombay) Continued employment of Rao Bahadur Narayan Ballal Joglekar, Dufturdar in the Ratnagiri Collector's Office, on the Khoti settlement work, for a further period of one year - -	4,565
(Assam) Grant for expenditure on the survey and settlement of Cachar - - - - - - - - - - -	45,572
(North Western Provinces and Oudh) Appointment of Mr. H. F. Evans, C.S., as a Special Judge within the area of the Jhansi District, under section 3, Act XIV of 1882, for two years, with effect from 15th July 1882 - - - - -	11,250
(Madras) Personal allowance of 250 rupees a month to Colonel H. T. Rogers, R.E., Superintendent of the Revenue Survey Department, Madras, with effect from 1st April 1882 - -	2,750
(Bombay) Travelling and tentage allowances to Khan Bahadur Kamruddin, Mamlatdar of Ratnagiri, so long as he is employed on Khoti settlement duty - - - - - - - -	540
(Assam) Further expenditure for the demarcation of the Southern boundary line between "A" villages in the Garo Hills District and the Khas Garo Hills villages - - - - -	189
(Madras) Grant for the preparation of a survey map of the Tanjore district - - - - - - - - - - -	34,000
(Punjab) Charges incurred by Mr. Goode, Treasury Clerk at Simla, in consequence of his being deputed to perform the duties of the Treasury Clerk at Kasauli in July 1882 - - - -	61
(North Western Provinces and Oudh) Retention of Colonel Anderson as a supernumerary Deputy Superintendent of Survey, in charge of the Mirzapore Survey Party, at a cost of 800 rupees a month, being the difference between his present pay and that of the unattached pay of the Military Department, for one year, with effect from 1st November 1882 - - -	3,200
(Bombay) Personal allowance of 200 rupees a month each to Messrs. Drew, Cappel, and Johnstone, of the Punjab Commission, transferred to Bombay, with effect from 9th May 1882 (*moiety*) - - - - - - - - - - -	2,143
Total Increase - - - *Rs*	1,05,470

74. *7. Salt.*—The increase of 600 rupees is due to the grant of a special allowance of 50 rupees a month to Mr. Crandfield, Superintendent of Abkari at Aden, for performing the duties of Superintendent of the Salt Department at Shaik Othman, with effect from 1st March 1882.

75. *8. Stamps.*—The increase of 100 rupees is a moiety of the charge on account of two hand-presses purchased for the Collector of Stamps, Calcutta.

76. *11. Customs.*—The saving of 759 rupees is due to the revision of the Office of the Commissioner of Customs, Salt, Opium, and Abkari, Bombay, including an increase to the pay of the Head Accountant, resulting in a saving of 759 rupees a year. But this saving will be reduced to 159 rupees from 1st April 1883, the date from which the personal allowance of 50 rupees a month recommended for the Assistant Collector in charge of the head-quarter office will have effect.

IV.—PROVINCIAL (TEMPORARY)—*continued.*

77. *12. Assessed Taxes.*—The increase of 1,130 rupees is a net figure, and is made up of the following items:—

	Rs.
(Madras) Special allowance of 125 rupees a month to the Deputy Collector of Madras for the performance of work connected with the license tax, with effect from 13th January 1883; and also to an increase of the establishment employed in the collection of license tax in Madras, involving an extra cost of 35 rupees a month - - - - - - - -	101
(Bengal) Grant of 250 rupees a month to the Collector of Calcutta for extra work imposed upon him in connection with the license tax - - - - - - - - - - - -	1,375
(Bengal) Abolition of the post of Assistant to the Collector of Calcutta, who is also Head Assessor of license tax, resulting in a saving of 200 rupees a month - - - - - - -	—346
Net Increase - - - *Rs.*	1,130

78. *13. Forest.*—The increase of 2,03,454 rupees is made up of the following items:—

	Rs.
(Assam) Special local allowance of 100 rupees to the District Forest Officer stationed in the Garo Hills - - - - - -	450
(Madras) *Reorganisation of the Forest Department*— Deputation of two officers of the Indian staff, and expenditure on account of two Covenanted Civilians and their establishments, to be retained for five years - - - - - -	15,300
(Punjab) Moiety of the special allowance of 200 rupees a month to the Forest Officer, Bushire - - - - - - - - -	1,100
(Madras) Employment of Mr. D. E. Hutchins, Assistant Conservator of Forests in Mysore, for four months on special duty in connection with the Nilgiri plantations - - - - -	2,800
(Punjab) Consolidated monthly travelling allowance of 12 rupees to the Forest Ranger in charge of the range inside the fence of the Changa Manga plantations in the Lahore division - -	42
(Burma) Increase of grant for Forest expenditure in Burma during 1882-83, in accordance with the Revised Estimate - -	*1,08,500
(Bombay) Moiety of travelling allowance of 50 rupees a month to Mr. R. E. Kanga, Mamlatdar of Sinnar, while employed on special Forest duty in the Nasik Collectorate - - -	112
(North Western Provinces and Oudh) Addition to the Forest Budget grant for 1882 83, on account of the supply of sleepers to the Patna-Baraitch State Railway - - -	*75,000
(Bombay) Deputation allowance of five rupees a day to Mr. Betham, of the Forest Department, Bombay - - - - - -	75
(Punjab) Moiety of the rental paid to the Raja of Mandi for the right of collecting waif timber on that part of the Beas river which flows through his territory - - - - - - -	75
Total Increase - - - *Rs.*	2,03,454

79. *18. General Administration.*—The increase of 27,997 rupees is a net figure, and is made up of the following items:—

	Rs.
(Central Provinces) Revival of the appointment of additional Commissioner, on a salary of 2,200 rupees a month, for a period of nine months - - - - - - - - - -	6,032
(Bombay) Appointment of Mr. W. R. Hamilton, Huzur Deputy Collector at Ahmednagar, for three months, to compile and edit the General Administration Report of the Bombay Presidency, with a deputation allowance of 200 rupees a month -	1,500
(Bengal) Abolition of the appointment of an Assistant in the Office of the Board of Revenue, on a pay of 200 —300 rupees a month, in charge of correspondence connected with the working of License Tax Act, with effect from 1st June 1882	—1,500

* These increases were sanctioned on the understanding that the receipts arising from the sleeper operations would exceed the expenditure.

IV.—PROVINCIAL (TEMPORARY)—*continued.*

	Rs.
(Bengal) Increased expenditure consequent on Babu Koylas Chunder Mookerjee, Head Assistant in the Judicial Department, Bengal Secretariat, whose pay was 400 rupees, rising to 600 rupees, being allowed to begin on 500 rupees - - -	477
(North-Western Provinces and Oudh) Increase to the pay of the Junior Secretary to the Government of the North-Western Provinces and Oudh from 1,200 rupees to 1,500 rupees a month, for one year only - - - - - - - -	3,600
(Madras) Payment to Messrs. Daniell and Sons, London, for china and glass supplied for use in the Government House, Madras, the amount being recovered in four equal annual instalments from the contract allowance of His Excellency the Governor - - - - - - - - - - -	17,888
Total Net Increase - - - *Rs.*	27,997

80. *19. Law and Justice.*—The increase of 2,28,704 rupees is made up of the following items:—

	Rs.
(North-Western Provinces and Oudh) Appointment of an additional Subordinate Judge to the Agra District for six months	3,000
(Punjab) Retention of an additional Judge in the Chief Court of the Punjab until 15th August 1882 - - - - - -	15,750
(Bombay) Continuance of the appointment of special Judge under the Deccan Agriculturists' Relief Act for another year - -	22,284
(Bombay) Deputation allowance of 10 rupees a day to Mr. Hosking, C.S., Senior Assistant Judge of Kaladgi, for the period of his absence from head-quarters on special duty, for conducting the prosecutions of Madhabrao Krishna Huligolkar, Subordinate Judge of Bijapur, and Ramacharaya bin Wasudevacharya, in connection with a case of bribery -	250
(Bengal) Retention of the extra establishment for the two additional Judges of the High Court, Calcutta, for another month - - - - - - - - - - - -	107
(Madras) Appointment, as a temporary arrangement for six months, of an extra Subordinate Judge for the Malabar Division, on 500 rupees a month - - - - - - - - - -	3,000
(North-Western Provinces and Oudh) Appointment of an additional Munsif of the 3rd grade on 200 rupees a month for six months, to work off the arrears at Ballia in the Ghazipur District - - - - - - - - - - - -	1,200
(North-Western Provinces and Oudh) Retention of the Munsif's Court at Mariahu in the Jaunpur District, subject to report after the expiration of another year - - - - - -	1,258
(Bombay) Horse allowance of 20 rupees a month to the Superintendent of the Nara Jail, with effect from November 1881 -	240
(Punjab) Appointment of two additional Judges to the Chief Court of the Punjab, for a period of one year from 2nd November 1882, on a salary of 3,500 rupees a month each - - -	27,767
(North-Western Provinces and Oudh) Employment on special duty for such time as may be necessary of Mr. S. H. James, C.S., Registrar of the High Court of Judicature, North-Western Provinces, in connection with the preliminary drafting of Bills to facilitate the extension of Local Self-Government - -	3,200
(Bombay) Deputation on special duty at Thana for a further period of six months, of Khan Bahadur M. N. Nanavati, a 1st class Subordinate Judge, to clear off the arrears of civil appeals in that district - - - - - - - - - -	955
(Burma) Moiety of the cost of the appointment of Mr. P. E. Isaacson, Collector of Customs, Akyab, as a supernumerary Extra Assistant Commissioner on 400 rupees a month - -	1,200
(Bombay) Deputation allowance of 10 rupees a day to Mr. H. Woodward, C.S., Assistant Collector, 2nd Class, deputed for six months on special duty connected with the Deccan Agriculturists' Relief Act - - - - - - - - - -	1,800

IV.—PROVINCIAL (TEMPORARY)—*continued.*

	Rs.
(Central Provinces) Appointment of Lieutenant-Colonel H. C. E. Ward, Deputy Commissioner, Raipur, as Additional Commissioner in the Chhatisgarh Division for the affairs of Kalahandi, with an allowance of *Rs.* 366. 10. 8. in addition to his pay and a consolidated travelling allowance of 250 rupees a month - - - - - - - - - - -	22,050
(Bombay) Personal allowances to Messrs. Drew, Cappel, and Johnstone, of the Punjab Commission, transferred to Bombay, of 200 rupees each, with effect from 9th May 1882 (moiety) -	2,143
(Madras) Appointment of a fifth Judge to the Madras High Court for a period of six months, with a view to clear off the arrears which have accumulated in that Court - - - - - -	22,500
(Central Provinces) Increase to the Provincial Budget grant for "Jails" under the head "Law and Justice" for 1882-83 -	1,00,000
Total Increase - - - *Rs.*	2,28,704

81. *20. Police.*—The increase of 11,475 rupees is made up of the following items:—

	Rs.
(Bombay) Temporary appointment at Jacobabad of an Assistant Superintendent of Police on his present pay of 400 rupees a month, with a Sind allowance of 100 rupees a month and the ordinary travelling allowance of a Superintendent of Police -	4,180
(Burma) Employment on special duty for three months of Mr. R. C. Stevenson, a District Superintendent of Police in Burma, with a view to the compilation and translation of a Police Manual in the Burmese language, and the grant to him of an honorarium of 500 rupees on the completion of the work -	500
(Assam) Special local allowance of 100 rupees a month to Mr. W. C. Fasson, Officiating Superintendent of Police, Naga Hills, for May 1882 - - - - - - - - - -	1,000
(Bombay) Appointment of an Assistant Superintendent of Police, 2nd grade, for six months, in order to provide an Assistant to the Superintendent of Police, Kaladgi, for the special purpose of supervising the police arrangements in connection with the Railway Works now in progress between Hotgi and Gadak -	3,300
(Burma) Entertainment of a supernumerary Assistant Superintendent of Police, 1st class, on 400 rupees a month, in place of an Assistant Superintendent of Police, 2nd class, on 250 rupees a month, until 1st April 1883 - - - - - - - -	375
(Burma) Appointment for one year of a special Superintendent of Police on a deputation allowance of 250 rupees a month, in addition to the pay of his rank, for the suppression of dacoity in the town of Rangoon and in the Pegu Subdivision of the Hanthawaddy District - - - - - - - - -	500
(Central Provinces) Grant of a month's pay to the subordinate Police Force of the Ganjam and Vizagapatam Districts employed in suppressing the Kalahandi disturbances - - - -	1,620
Total Increase - - - *Rs.*	11,475

82. *21. Marine.*—The increase of 23,875 rupees is made up of the following items:—

	Rs.
(Burma) Contribution of 500 rupees a month towards the combined pay of the appointment of Port Officer and Deputy Port Officer, Rangoon, from 1st January 1882 - - -	6,000
(Bombay) Government share of the compensation to the fishermen whose stakes have been removed from the entrance of the Bombay Harbour - - - - - - - - - -	17,000
(Madras) Honorarium to Mr. Baker for boring operations at Paumben channel, being equal to 2½ months' pay - - -	875
Total Increase - - - *Rs.*	23,875

83. *22. Education.*—

IV.—PROVINCIAL (TEMPORARY)—*continued.*

83. *22. Education.*—The increase of 3,593 rupees is made up of the following items:—

	Rs.
(Bombay) Increase of 50 rupees a month to the salary of Khan Bahadur Dastur Hoshang Jamsap, Assistant Professor of Oriental Languages in the Deccan College - - - -	550
(Central Provinces) Allowance of 100 rupees a month to Mr. W. Young, President of the High School, Jubbulpore, in addition to his salary - - - - - - - - - -	1,100
(Punjab) Personal allowance of 100 rupees a month to Mr. J. L. Kipling, Principal of the Lahore School of Art and Curator of the Central Museum, with effect from 6th July 1882 -	800
(Bombay) Increase to 200 rupees a month of the local allowance of 100 rupees granted to Rao Saheb Mahipatram Rupram, Principal of the Training College for Vernacular Masters at Ahmedabad - - - - - - - - - -	393
Honorarium to Dr. Hunter for the right of translation of his "History of the People of India" - - - - -	750
Total Increase - - - *Rs.*	3,593

84. *24. Medical.*—The increase of 6,582 rupees is made up of the following items:—

	Rs.
(Bengal) Extra salary of 300 rupees a month to Surgeon Barclay, of the Medical College, for delivering lectures in Pathology as well as those on Physiology during current session - -	1,800
(Bombay) Allowance of 100 rupees a month to the Assistant Surgeon appointed to the post of Travelling Water Analyst in Bombay - - - - - - - - - - -	1,100
(Madras) Continuance of the post of special Sanitary Officer, Ootacamund, for another year - - - - - - -	1,266
(Bombay) Deputation allowance of 5 rupees a day for the commissioned Medical Officer, and 1 rupee a day for the Hospital Assistant, deputed to investigate the causes and nature of the fever which recently prevailed in the Ratnagiri District -	197
(Bombay) Extra allowance of 150 rupees a month to the Civil Surgeons of Poona and Ahmedabad for conducting the duties of Superintendent of the Medical School at each of those places - - - - - - - - - - - -	1,355
(Assam) Continuance to the Medical Officer in charge of the Garo Hills District of the special local allowance of 100 rupees a month - - - - - - - - - -	694
(Punjab) Increase, until such time as the railway bridge at Attock is completed, of 50 rupees a month to the allowance (100 rupees) drawn by the Garrison Surgeon of Attock for being in medical charge of the subordinates and workmen employed on those works - - - - - - - -	170
Total Increase - - - *Rs.*	6,582

85. *26 Scientific and other Minor Departments.*—The increase of 30,651 rupees is made up of the following items:—

	Rs.
(North-Western Provinces and Oudh) Appointment of Major D. G. Pitcher to inquire into the present system of recruiting labourers for the colonies in the districts of the North-Western Provinces and Oudh - - - - - - - - -	3,000
(North-Western Provinces and Oudh) Continuance of the deputation allowance to the Deputy Superintendent of Census, North-Western Provinces and Oudh, up to the end of April 1882, and the employment of that officer on special duty for a further period of four months for the purpose of working out certain details of the census - - - - - - - -	5,200

IV.—PROVINCIAL (TEMPORARY)—*continued.*

	Rs.
(Bombay) Honorarium to Mr. Lamb, Inspecting Veterinary Surgeon and Superintendent of Horse Breeding, Bombay, for a course of lectures on veterinary science delivered to the students in the Agricultural Class attached to the Civil Engineering College at Poona during 1881 82 - -	660
(India) Expenditure on the compilation of the "North-Western Provinces Provincial Gazetter" - - - - - -	4,138
(Bengal) Employment of Dr. G. Watt, Principal of the Krishnagar College, on special duty from 18th June 1882 to 31st January 1883, for the purpose of classifying and arranging the specimens of plants collected by him in Manipur - -	7,500
(Punjab) Payment to the Dyce Sombre family on account of the Jaras Garden in Delhi taken by Government - - -	4,930
(Bombay) Charge allowance of 200 rupees a month to Mr. G. W. Forrest, Professor of Mathematics in the Deccan College, during the period he was in charge of the Office of the Deputy Superintendent of Census, Bombay - - - - - -	600
(Bombay) Local allowance of 150 rupees a month to Mr. K. N. Servai, Assistant to the Collector of Bombay, for performing the duties of the Inspector of Factories for that city, in addition to his own duties - - - - - - - - -	900
(Bombay) Appointment of a Protector of Pilgrims, Bombay, on 100 rupees a month, experimentally for one year, and of two peons under him on 9 rupees and 10 rupees respectively -	595
(North-Western Provinces and Oudh) Personal allowance of 100 rupees a month to Mr. J. B. Fuller, Assistant Director of Agriculture and Commerce in the North-Western Provinces	600
(North-Western Provinces and Oudh) Local allowance of 25 rupees a month to Mr. Phillips, Superintendent of the Public Gardens, Allahabad - - - - - - - - -	300
(Assam) Census charges during 1882-83 - - - - -	1,728
(Bengal) Deputation allowance of 250 rupees a month to Mr. G. A. Grierson, C.S., Officiating Joint Magistrate and Deputy Collector, during the period of his employment on special duty in making inquiries into the present system of recruiting labourers under Act VII of 1871 in the districts of Behar and Chota Nagpore - - - - - - - - - -	500
Total Increase - - - *Rs.*	30,651

86. *29. Superannuation Allowances and Pensions.*—The sanctions under this head not covered by ordinary rules amounted to 17,940 rupees during the year.

87. *31. Miscellaneous.*—The increase of 4,914 rupees is made up of the following items:—

	Rs.
(Punjab) Compensation to Ata Muhammad Khan, an Inspector of Police, for losses sustained by him - - - - -	1,000
(Bengal) Command allowance of 200 rupees a month to Lieutenant Colonel H. H. Stansfeld, Commandant of the Darjeeling and Northern Bengal State Railway Volunteer Corps, from the 24th November 1881 to 10th July 1882* - -	664
(Punjab) Honorarium to Captain J. B. Hutchinson, an Assistant Commissioner in the Punjab, in recognition of the labour which he has bestowed on the preparation, during his leisure time, of an Index to the Regulations, Acts, Rules, Notifications, and Orders in force in the Punjab - - - - -	1,000
(Bengal) Consolidated allowance of 250 rupees a month to each of the three members of the Committee appointed to inquire into and report upon the entire system of village watch in the Lower Provinces of Bengal - - - - - - - -	2,250
Total Increase - - - *Rs.*	4,914

Bengal

* This is a military charge, but it has been specially ordered to be debited to Bengal Provincial revenue for the period for which the allowance has been allowed.

IV.—PROVINCIAL (TEMPORARY)—*continued.*

88. *42 to 45. Railways.*—The increase of 14,50,900 rupees is made up of the following items:—

	Rs.
(Bengal) Allowance of 100 rupees a month to the Executive Engineer in charge of the Engineering Department of the Northern Bengal State Railway, who has been appointed a Superintendent of Works - - - - - - - - -	900
(North-Western Provinces and Oudh) Additional allotment for the construction of the Cawnpore-Farakhabad Extension Railway and the Railway Workshops at Fatehgarh - - -	14,50,000
Total Increase - - - *Rs.*	14,50,900

89. *46. Irrigation and Navigation.*—The increase of 1,300 rupees is made up of the following items:—

	Rs.
(Burma) Grant of a deputation allowance to Mr. Clarke, Executive Engineer, Rangoon Municipality, for inspecting the Min-ywa flood escape - - - - - - - - - - -	100
(Punjab) Local allowance of 100 rupees a month to the Executive Engineer temporarily appointed as Superintendent of Works in the 4th Circle of Superintendence for Irrigation Works -	1,200
Total Increase - - - *Rs.*	1,300

90. *48. Civil Buildings, Roads, and Services.*—The increase of 1,11,791 rupees is made up of the following items:—

	Rs.
(Bengal) Appointment of Mr. W. Scotland as a temporary Assistant Engineer, 1st grade, on a salary of 450 rupees a month, to supervise works under construction at Daltongunge in Chota Nagpur - - - - - - - - - - -	5,400
(Assam) Cost of stores supplied to the Maharaja of Manipur to enable him to repair the road between Manipur and Cachar -	1,000
(North-Western Provinces and Oudh) Grant to the Agra Municipality for sinking an artesian well in that city with the object of providing a supply of sweet water - - - -	60,000
(Burma) Additional allowance of 100 rupees a month to the Executive Engineer appointed as Superintendent of Works in British Burma - - - - - - - - -	1,200
(Assam) Appointment of Mr. Chitty as a temporary Assistant Engineer on a salary of 300 rupees a month to superintend the construction of a screw-pile bridge over the river "Noa Nadi" - - - - - - - - - -	1,858
(Madras) Appointment of a 2nd Grade Accountant on 250 rupees, rising to 340 rupees, a month to be attached to the Madras Public Works Secretariat. As a set-off against this charge, a clerkship of 70 rupees a month is to be abolished - -	1,533
(Bengal) Cost of providing barracks for the use of the Behar Mounted Rifles - - - - - - - - -	16,000
(Madras) Bonuses to Messrs. Anthony and Gaynor, Accountants in the office of the Examiner of Public Works Accounts, in consideration of the extra labour undergone by them in preparing a revised edition of the Madras Public Works Code -	700

IV.—PROVINCIAL (TEMPORARY)—*continued.*

	Rs.
(Bengal) Retention for another year of the services of Mr. E. J. Martin, Superintending Engineer, Class II., as Government Architect - - - - - - - - - - - -	16,200
(Burma) Expenditure of 6,000 rupees required for building a house for the accommodation of the office of the newly formed Theegwin township of the Bassein District - - - - -	6,000
(Bengal) Local allowance of 100 rupees a month to Executive Engineer appointed as Superintendent of Works for all public works in Calcutta and its suburbs - - - - - -	1,000
(North-Western Provinces and Oudh) Appointment of an Executive Engineer as Superintendent of Works on a local allowance of 100 rupees a month - - - - - - - -	900
Total Increase - - - *Rs.*	1,11,791

91. *Contributions.*—The increase of 6,00,000 rupees is due to the contribution made to the Bengal Local Funds for feeder-roads.

ORDERED, that a copy be forwarded to the Several Departments of the Government of India for information.

R. Logan,
Under-Secretary to the Government of India.

— No. 5. —

The Governor General in Council to the Secretary of State for India,
24th August 1883, No. 233 (Financial).

My Lord,

WE have the honour to reply to your Lordship's Despatch, No. 183 (Financial), of 28th June 1883.

2. It is with satisfaction that we learn (paragraph 3) that your Lordship does not imply that the Government of India "has not exercised careful supervision "over the many demands for additional outlay which come before it," and that your Lordship recognises "the large and satisfactory growth of the revenue."

3. In the 4th paragraph of the Despatch under reply the following observations occur:—

"Notwithstanding these circumstances, and the generally favourable present "condition of the finances, it still remains an important duty to watch with care "every growth of the expenditure, to guard against every tendency to incur "charges which are not essential, and to avoid the risks of undue expansion of "outlay on objects of apparent utility which not uncommonly attend a position "of supposed freedom from financial anxiety."

4. We fully agree in thinking that, whether the actual condition of the finances be "generally favourable" or the reverse, "it still remains an important "duty to watch with care every growth of the expenditure," &c. We are not aware that during the last three years there has been any remissness in the manner in which that important duty has been performed.

5. As regards "the supposed freedom from financial anxiety," we have a few observations to make. We certainly should not have described the position of the last three years as one of freedom from financial anxiety. We hardly think that any official utterance emanating from the Government of India can be quoted which would warrant the implication that we were inclined to take an unduly optimist view of the financial situation. On the contrary, numerous passages might be quoted to show that the special causes of anxiety, which must always

always attend the administration of the Indian finances, have been always present to our minds. If we have not more frequently dwelt upon those particular causes of anxiety, it is because it is useless to be constantly repeating facts which are notorious, unless we have some practical measures to propose which might remove or mitigate the anxiety we have always felt in connection with them.

6. There are no less than five special circumstances which must always cause grave anxiety to those who have to administer the finances of India. These are (1) the fluctuating and precarious nature of the opium revenue; (2) the instability of the standard of value, coupled with the fact that a large annual payment has to be made in gold; (3) war; (4) famine; (5) the uncertainty of the home charges, over which the Government of India has no control whatsoever.

7. In respect to four out of these five evils we have certainly not been free from anxiety during the last three years. The opium revenue has shown a steady tendency to diminish, and a further large diminution is to be anticipated in 1884-85. There have been very considerable fluctuations in the value of the rupee. No sooner were we free from the pressure of the Afghan War, than we had to pay about 800,000 *l.* for a war in Egypt, for which we were in no way responsible. We have fortunately not as yet been visited with famine, although the deficient rainfall of the current year gives cause for considerable anxiety. The main cause for anxiety we have had in this respect up to the present time is that, in spite of much discussion and correspondence, the measures taken to improve our communications, and thus to mitigate the effects of future famines, have been, in our opinion, inadequate. The uncertainty of the amount of the home charges has recently received a remarkable illustration in the large demands which have been made on us to pay off the arrears of the non-effective military charges, and in the declaration made in your Lordship's telegram of 14th April 1883, as regards those charges in future years, that "the data were so uncertain that a good margin should be allowed" to the calculations of the actuaries. The position of the Government of India in respect to these charges was accurately described in the Despatch from Lord Lytton's Government, No. 66 of 8th February 1878 (paragraphs 12 and 13). Further, in respect to the growth of military charges over which the Government of India has no control whatsoever, we beg to refer to our Military Despatch, No. 401, of 29th October 1881 (paragraphs 44-47).

8. We do not think, therefore, that the position of the last three years can be accurately described as one of "freedom from financial anxiety."

9. We append to this Despatch a Minute by our honourable colleague, Sir Evelyn Baring, in which the comparisons instituted by your Lordship between the expenditure of the four triennial periods from 1871-72 to 1882-83 *inter se*, and with the estimated expenditure of 1883-84, are examined in detail. In this Despatch we propose to deal only with the most salient features of those comparisons. For further details we beg to refer your Lordship to our honourable colleague's Minute.

10. In the first place we wish to observe that any comparison between the estimates of the two years 1882-83 and 1883-84 and the accounts of former years must of necessity be faulty. The Indian estimates are very cautiously compiled. It almost invariably happens, when the accounts are finally made up, that the revenue turns out to be considerably more and the expenditure considerably less than the estimates. This remark applies, of course, especially to the Budget Estimate, but it is also true, although in a less degree, as regards the Revised Estimate. We now know that the surplus of 1882-83, which was taken in the Revised Estimate at 60,000 *l.*, will be considerably in excess of this sum. It is, however, impossible to state the precise amount of the surplus until the provincial and local adjustments have been made. Unless there should be a war or famine, it is certain that the surplus of 1883-84 will be largely in excess of the estimate of 457,000 *l.* We do not propose to discuss at length the advantages and disadvantages of this system of extreme caution in framing the estimates. We merely draw attention to the fact that, inasmuch as in the Despatch under reply estimates are compared with actuals, the apparent results are a good deal more unfavourable to the years 1882-83 and 1883-84, especially the

the latter, than the reality, when it is finally known, will under normal circumstances warrant.

11. In paragraph 5 your Lordship states the average gross expenditure (Imperial, Provincial, and Local) of the triennial periods from 1871-72 to 1882-83, as well as the estimated expenditure of 1883-84. Certain items are then deducted from the total expenditure as "representing expenditure of an "abnormal character, or such as is for the most part beyond the control of the "Government." Amongst these items are *War Charges*. As regards this deduction, we have the following observation to make:—

12. The heavy charge on account of ordinary military expenditure in 1881-82 (16,054,000 *l.*) is certainly due to the fact, to which allusion was made in paragraph 85 of the Financial Statement for 1882-83, that it had "been found "impossible to distinguish accurately between Ordinary and War expendi- "ture * * * The division into Ordinary and War expenditure does not pretend "to any great accuracy." It is very probable that some expenditure on account of the Afghan War was included in the ordinary account of the years 1878-79 (16,118,000 *l.*), 1879-80 (15,867,000 *l.*), and 1880-81 (15,794,000 *l.*). We cannot, however, state the amounts so included in these years with any degree of accuracy. As regards 1881-82, however, the Comptroller General has estimated* that war expenditure to the extent of 660,000 *l.* was included in the ordinary account. This amount, at least, should, therefore, be deducted from the average expenditure of the triennial period from 1880-81 to 1882-83 (both inclusive). The average expenditure of this period would then be reduced from 42,670,000 *l.* to 42,010,000 *l.*

13. As regards the examination of the several groups of expenditure in detail, we wish to point out that the method of comparison which has been adopted in the Despatch under reply is simply to take up one head after another and to show what the increase has been. There is no attempt to trace whether any direct or indirect growth of revenue may have been due to the increase of expenditure, and there is no complete analysis of the causes which have led to an increase of expenditure such as is indispensable in any attempt to set forth the real financial progress of the country in recent years. The plan which is adopted of giving for a series of years the percentage of cost of collection on revenue is, we venture to think, in many cases misleading, because an increase of the percentage of cost of collection may be, and often is, attended with an increase of the total net revenue. This system may in some instances—that is to say, where the same fiscal system has continued in force during all the years under comparison without any considerable changes—lead to fairly accurate conclusions. In other cases it is fallacious.

14. The application of this method of criticism to the opium revenue appears to us to be specially faulty. In this case the proportion which cost of collection bears to gross revenue depends almost entirely on (1) whether there is a good or bad poppy crop in the Behar and Benares Agencies; and (2) whether the demand for Indian opium in China is brisk or the reverse. A glance at the figures given in paragraph 7 of the Despatch under reply is sufficient to show the main reason why the general percentage under the group entitled *Direct Demands on the Revenue* from 1874-75 to 1876-77 (17·2 per cent.) is relatively high, and that from 1871-72 to 1873-74 (15·4 per cent.) is relatively low. The reason is, that opium has been included in the calculation, and that from 1874-75 to 1876-77 the average expenditure on opium was 2,467,000 *l.*, whilst from 1871-72 to 1873-74 the average expenditure was only 1,804,000 *l.* Again, it is certain that the opium expenditure of 1883-84 will be greatly below the estimate, and that thus, under the method adopted in the Despatch under reply, the percentage of 1883-84 will be reduced. But this reduction is no matter for congratulation, but the reverse. It means that from 1884-85 the estimate of Opium Revenue will have to be largely reduced. As almost the whole of the expenditure

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* See *Appropriation Audit Report for* 1881-82, *Section K.* There were War receipts included amongst the Ordinary receipts of 1881-82, to the extent of 155,000 *l.* The net war expenditure included in the *Ordinary* account was, therefore, according to the Comptroller General's estimate, 505,000 *l.* As, however the figures given in para. 5 of the Despatch under reply are gross, we have given the gross figure above viz., 660,000 *l.*

expenditure under this head consists of the purchase of crude opium from the cultivators, it follows that high expenditure in any one year implies a high revenue in subsequent years, and *vice versâ*.

15. The case of *Salt* is hardly less strong. It is pointed out (paragraph 9) that "the large increase which is shown under *Assignments and Compen-* "*sations* arose in 1878-79 and the following years, when annual payments "were promised to the Native Chiefs in Raj- "putana in connection with the arrangements "made for the collection of the Salt Revenue." Nevertheless, in paragraph 12 a percentage is worked out which includes the amount of these payments in the cost of collection of salt. As a matter of fact, the result of making these payments was that the net revenue from salt was considerably increased, as the figures in the margin will show.

—	Assignments and Compensations on account of Salt.	Net Salt Revenue.
	£.	£.
1876-77 - - -	45,000	5,741,000
1877-78 - - -	34,000	5,839,000
1878-79 - - -	204,000	6,298,000
1879-80 - - -	324,000	6,572,000

16. This, however, is not the only source of error so far as *Salt* is concerned. The expenditure of 1881-82 and subsequent years has been in appearance considerably increased, owing to the cost of conveying salt to the Government depôts in Northern India having appeared in the accounts and estimates as expenditure. Of course, this increase is only nominal. The cost of conveyance is added to the selling price (see on this subject Appendix II. to Sir Evelyn Baring's Minute of 11th August, paragraphs 48, 50, 52 and 56. Enclosure to Despatch No. 234 of 24th August 1883).

17. Then again the increased expenditure on preventive establishments in Madras has unquestionably led to an increase of net revenue (see on this subject the Financial Statement for 1883-84, paragraph 106, and the remarks contained in Appendix II. to Sir Evelyn Baring's Minute of 11th August, paragraph 55).

18. If, therefore, we wish to arrive at conclusions which will be even approximately accurate, it appears to us that it is necessary to deduct the expenditure under *Opium*, *Salt*, and *Assignments and Compensations*. We do not say that even then the conclusions to be drawn from the figures will be of any great value, but we think that they will be more valuable than those which may be drawn from the table given in paragraph 7 of the Despatch under reply. The results which are obtained by this method of comparison are set forth in paragraphs 22-25 of Sir Evelyn Baring's Minute, which is appended to this Despatch. It will be seen that they differ materially from those obtained under the system adopted in the Despatch under reply.

19. In paragraph 10 the question of *Land Revenue* expenditure is considered separately. We wish to observe that a very important consideration bearing upon the percentage which the cost of collecting the Land Revenue bears to receipts in the years 1882-83 and 1883-84 has been omitted. This consideration is that the Patwari cess in the North-Western Provinces, which yielded 241,000 *l.* a year, was abolished in March 1882. Further, it is to be observed that the payment of patwaris (village accountants) and kanungoes (supervisors) in Oudh from Government revenues cannot be regarded as an increase of expenditure in the ordinary sense of the term. It is in the nature of a remission of taxation. This subject is more fully discussed in paragraphs 26-30 of Sir Evelyn Baring's Minute which is appended to this Despatch.

20. In paragraph 14 of the Despatch under reply the following remarks occur as regards the expenditure under *Post Office* and *Telegraph*: "The receipts "from the Post Office are, to a great extent, limited by the terms of the "International Convention, and the advantages conferred on India by the great "development of both the postal and the telegraph services are undoubted; "nor do I overlook the fact that in the annual charges of the year is included "the capital cost of the telegraph lines which are now being greatly extended "in India. Still, it must be observed that both the gross and the net expendi- "ture of these services has largely increased in recent years; and every effort "should be used to make them more nearly self-supporting, so as to relieve "the finances from the burden which they now bear in respect of them."

21. Turning first to the question of *Post Office*, we have to observe that any limitations to the receipts imposed by the terms of the International Convention can only apply to postal communications with foreign countries. The revenue derived from foreign traffic forms but a small proportion of the total revenue of the Indian Post Office. We wish also to make a few remarks upon the question of the extent to which the Post Office is at present "self-supporting."

22. It would be erroneous to suppose, because the net Post Office expenditure in 1883-84 is estimated at 212,000 *l.*, that this figure really represents the burden which the general taxpayers have to bear on account of the Post Office. This is very far from being the case. In the first place, the charges on account of *District Dâks* are debited to *Post Office*, whilst the receipts which cover those charges are credited to *Provincial Rates*. These receipts amount to about 100,000 *l* a year. Further, a good deal of the money spent by the Post Office comes back to Government in the form of receipts under *Railways*, the only real cost involved being the wear and tear consequent on the conveyance of the mails. The real estimated cost of the Post Office to the taxpayers in 1883 84 is not 212,000 *l.*, but about 68,000 *l.* (see paragraphs 32-40 of Sir Evelyn Baring's Minute attached to this Despatch). Even this, however, does not fully represent the true facts of the case. For, in the first place, the Post Office carries all service letters at very low rates; and, in the second place, the subsidy paid to the British India Steam Navigation Company, amounting to 72,500 *l.* a year, is by no means paid for postal purposes only. If the contract had been based on postal necessities alone, a very much lower charge would, no doubt, have been shewn. But in point of fact other considerations, wholly unconnected with the conveyance of the mails, influenced the terms upon which the contract was made.

23. On the whole we think it may be said that the Post Office is now self-supporting or very nearly so, although, owing to the impossibility of making an accurate division of such a charge as the subsidy granted to the British India Steam Navigation Company, it is impossible to state very precisely the real position of the Department. In any case we should very much deprecate any increase of the charges made to the public in order to render the Post Office more lucrative than at present. Neither, on the other hand, do we believe that any reduction of expenditure is possible. On the contrary, it may confidently be anticipated that, as population grows, and the material prosperity of the country increases, postal charges will also increase.

24. Turning to the cost of *Telegraphs*, we wish to observe that, if capital expenditure be excluded, the Indian telegraphs are already self-supporting, and indeed yield a considerable net revenue, which in 1883-84 is estimated at 75,000 *l.* We cannot but think that this result is very satisfactory, particularly as some recent concessions have been made to the public in the way of reducing the tariff. This subject is more fully discussed in paragraph 41 of Sir Evelyn Baring's Minute, which is appended to this Despatch.

25. As regards capital expenditure, it is to be observed that the Telegraph Department, like every other Department of the Government, was obliged to reduce its expenditure during the Afghan War. Since the pressure of the Afghan War has been removed, the Government has fortunately been able to devote a larger amount of money to the construction of Telegraphs. The estimated capital expenditure (net) in 1883-84 is 260,000 *l.*, but it is improbable that the whole of this amount will be spent. We cannot think that, including capital expenditure, the Telegraph Department should be made self-supporting. Such a view would certainly never be taken by any commercial company, and we doubt whether any Government in the world is able to make its Telegraph extensions out of current revenue, and at the same time shew a net surplus from Telegraphs. The English Telegraph Department, if the interest on the capital borrowed for the purchase of the Telegraphs be brought to account, shews a deficit. If it were held that, including capital expenditure, the Telegraph Department was to be self-supporting, the result would be not only to check the construction of telegraphs, which are very much required, but also to check the construction of railways, for we need hardly say that a railway cannot be worked without a telegraph. We have only to add that the estimated capital

capital expenditure on Telegraphs in 1883-84 was exceptionally high, and that it is improbable that so large a grant will be made in 1884-85.

26. Passing over the groups entitled *Civil Department* and *Miscellaneous Civil Charges*, some remarks in respect to which will be found in paragraphs 43-55 of Sir Evelyn Baring's Minute attached to this Despatch, we come to the group entitled *Public Works not classed as Productive (omitting Subsidised and Frontier Railways)*. Speaking of the relatively large expenditure of recent years under this head, the following passage occurs in the Despatch under reply (paragraph 22): "I am aware that this outlay has, to a great extent, been met from the "Provincial balances, which in some provinces had accumulated largely."

27. We wish to point out that to say that this outlay has to a great extent been met "from the Provincial balances" does not quite accurately represent the whole of the facts of the case. It would have been more correct if it had been said that the outlay had to a great extent been met from the provincial and local balances. The distinction between provincial and local finance is too often lost sight of. Mr. Barbour has rightly pointed out in his Memorandum of 16th June (see enclosure to our Despatch No. 234 of 24th August 1883) that "Local revenues are quite different from Imperial and Provincial revenues; "they are the proceeds of taxation raised for local purposes, and are, under "conditions of greater or less stringency, at the disposal of local bodies." Mr. Barbour then points out that the financial position of these Local bodies justified their spending during the years 1881-82, 1882-83, and 1883-84, 591,000 *l.* a year, or 1,773,000 *l.* in the three years, in excess of the average of the previous 10 years; and further, that, in order to spend this money on roads, bridges, &c., "no sanction by, or even reference to, the Government of "India was necessary." The powers of the Local bodies are, in fact, usually defined by law, or by rules having the force of law. To restrict those powers would be contrary not only to the policy initiated by Lord Mayo and developed by his successors, but also to the policy which has commended itself to every successive Government since the Mutiny.

28. The Despatch then goes on to say (paragraph 22) that, "if additional "grants are made in any year from the balances, they should only be allowed "on the condition *that the establishments are not materially enlarged*, at the "risk of difficulty attending their reduction in a subsequent year when smaller "funds may be available." The facts that the words which refer to the possible increase of Public Works establishment are italicised shows the importance which your Lordship attaches to this consideration. We fully agree that the point is one of great importance. It becomes necessary, therefore, to examine this question thoroughly, with a view to ascertaining the extent to which the recent expenditure from the Provincial and Local balances has led to an increase of the establishments of the Public Works Department. This has been done in paragraphs 58-92 of Sir Evelyn Baring's Minute attached to this Despatch.

29. We do not think that the facts and figures, which are fully set forth in our honourable colleague's Minute, are of a nature to cause any apprehension. The permanent establishments have not been practically increased, except in so far as new works (Railways and Canals) need new working establishments, which are charged to Revenue. These establishments are, of course, indispensable. There has, as is explained in our honourable colleague's Minute, been an increase of temporary establishments engaged for the job, but all men so engaged can, of course, be discharged at any time with a month's notice. In dealing with this subject, we have always kept steadily in view the instructions which were conveyed to us in Lord Hartington's Despatch, No. 50 P.-W., of 8th September 1881 (paragraph 5), in the following terms:—

"It should be henceforth regarded as the fixed rule that the permanent "Public Works establishment in any province or branch of the Department "should be regulated by the ascertained requirements of the service for the "discharge of the duties which may certainly be reckoned upon as recurrent "year by year, irrespective of any large new undertakings, provision for which "should be made when necessary by the temporary employment of persons "especially engaged for such periods as in each case may appear desirable, and

"on the distinct understanding that at the end of such employment no claim "will arise for pension or continued service under Government."

As regards the general result of the administration of the Public Works Department during the last 11 years, we beg to refer to our Resolution of 27th June 1883, which was enclosed in our Despatch No. 30 (Public Works) of 30th June 1883, and more especially to the following passage :—

"To sum up the results of the 11 years' Public Works administration, "the net Imperial expenditure, excluding Famine, has been reduced by "1,893,271 *l.*, and the revenue from Productive Works has been increased by "2,121,616 *l.*, notwithstanding that 54,543,202 *l.* have been added to the 'Pro-"ductive' debt, and that 4,505 miles of new railway have been opened up to "this date, while 1,602 miles more are under construction.

"As regards railways, it may be added that, as shown at page 44 of the "Preliminary Administration Report of the Director General of Railways for "1882–83, the total capital cost of all lines open to traffic was 143,171,856 *l.* on "the 31st of December last, and that the net earnings, including interest, "were 5·37 on this amount. The State Railways alone earned 3·03 per cent., "or 4·12 per cent. if the Punjab Northern, Indus Valley, and Kandahar lines "be excluded."

30. Paragraph 23 deals with ordinary *Army* expenditure, and it is observed that "the effective charges have thus been materially reduced, while "the non-effective charges are steadily increasing." In connection with this subject we wish to point out that the Government of India has a certain control over the effective charges, but over the greater portion of the non-effective charges it has no control whatever.

31. In paragraph 24 the following remark occurs :—"Nor do I lose sight of "the fact that much of this additional expenditure has been caused by changes "of organisation in the British Army, the responsibility for which does not rest "with the Government of India. But, however these charges have arisen, the "rapidity of their growth makes it all the more necessary to exercise the "strictest economy in other directions." It is satisfactory to know that your Lordship recognises that the additional military expenditure of late years has been to a great extent caused by changes in the organisation of the British Army for which the Government of India is in no way responsible. We quite agree in thinking that the growth of the charges, which are imposed on the Government of India from England, renders the strictest economy in other directions all the more necessary. But we venture to think that it is also necessary that some system should be devised, under which the Government of India should not be liable to have heavy charges thrown upon it with little reference to the special wants of India or to the condition of its finances. We cannot help also observing that in this Despatch, which presses upon us the necessity of reducing expenditure on the most necessary objects, no notice whatever is taken of the proposals for the reduction of military expenditure which we made in 1881, although that is the branch of our expenditure in which important reductions may be made most readily, not only without injury to the public service, but with a clear increase of efficiency.

32. Speaking of the increase on account of *Superannuations*, it is observed (paragraph 24) "that the charges for superannuations have increased "during "the last 10 years from about 2,800,000 *l.* to 4,900,000 *l.*, or to the extent "of 75 per cent., and now amount to nearly 12 per cent., or one-ninth of the "net revenue of India."

33. The figures upon which these statements are based include the non-effective military charges, a question which is so fully discussed in our Despatch No. 223 (Financial) of 10th August 1883, that we need say no more about it now. In dealing, however, with the charge debited under the head *Civil Superannuations* in the Accounts and Estimates, the following facts have to be borne in mind :—

(1) That since 1873-74 there has been a reduction of about 60,000 *l.* under the service heads, by reason of these heads being now debited with

with the net salaries, instead of adopting the former practice of debiting the service heads with the gross salaries, and crediting the annuity funds with 4 per cent. upon them.

(2) That when the Government took over the annuity funds, a charge of 4 per cent., which was debited under *Interest*, and which amounted in all to 200,000 *l.* a year, ceased.

(3) That the large reductions in Public Works establishments in 1879-80 caused a considerable increase under *Superannuations*, of which, however, a considerable portion, being that for gratuities, was only temporary, and against which has to be balanced the larger saving under establishments.

(4) That the charge in 1881-82 (805,000 *l.*) under pensions of the *Military and Medical Funds* was abnormally high, owing to the return to subscribers, who elected to retire from the Bengal Medical Retiring Fund, of 90,000 *l.*, being the amount at their credit on 31st December 1881, with compound interest at 6 per cent., subject to a reduction of 10 per cent.

(5) That since 1880-81 there has been an increase, which in 1881-82 amounted to about 48,000 *l.*, owing to the transfer of *Superannuations* of Marine pensions and retiring allowances, of pensions of officers of the late Indian Navy, and of pensions to the members of the Bengal Pilot Service. Against this sum, however, should, we believe, be balanced an amount of about 21,000 *l.* in 1881-82 on account of military pensions which have been transferred in England from *Superannuations* to *Army*.

34. The figures given in the 24th paragraph of the Despatch under reply do not go further than 1881-82. Otherwise we might mention that from 1882-83 there is an increase under *Superannuations* of about 12,000 *l.* a year for pensions and a temporary increase for gratuities, amounting to 25,000 *l.* in the two years 1882-83 and 1883-84, due to the reductions in the Customs establishments. This, however, is more than counterbalanced by a reduction of about 60,000 *l.* a year in the cost of establishments. Further, the expenditure of the year 1882-83 was increased by reason of the Provident Branch of the late Bombay Civil Fund having been abolished. This added 11,300 *l.* to the expenditure of the year. There is, however, on this account a reduction of expenditure under the head of *Interest*, of about 40,000 *l.* a year, as well as a decrease in 1883-84 of about 6,000 *l.* under *Superannuations*, due to the same cause.

35. In paragraph 26 the following remarks occur:—

"Apart from this heavy charge for Superannuations, a review of the fore-"going figures shows that the expenditure has in recent years risen to a "more or less serious extent, under the heads of Collection of Land Revenue, "Opium, Salt, Forest, Post Office, Telegraph, General Administration, "Law and Justice, Police, Education, Medical, Scientific and other Minor "Departments, and Public Works not classed as Productive. Over nearly "all of these branches the Local Governments have more or less direct control; "and, while I do not deny that the expenditure is to a considerable extent "necessary, and in most cases beneficial, provided that the paramount "consideration is borne in mind of keeping it within the income of the year, "I cannot but fear that this condition has not on all occasions received the "attention it deserves."

36. We do not understand what is meant when it is said that "over nearly "all of these branches the Local Governments have more or less direct control." The expenditure under *Opium*, *Salt*, and *Telegraph* is completely under the control of the Government of India, and the same may be said, with very slight exceptions, as regards *Forest* and *Post Office*. Still less do we understand what is meant when it is said that the paramount consideration of keeping within the income of the year "has not on all occasions received the "attention it deserves." Out of the 13 heads of account mentioned above, this remark can only possibly apply to one, namely *Public Works not classed*

as Productive, and it is certainly a very arguable point, which we will presently discuss, whether, when the Local Governments have large accumulated balances, it is a paramount consideration that they should not spend more than the income of the year. As regards Local Funds, their application is mainly defined and regulated by the Acts under which they are constituted, and the Government of India has not in all cases the legal power to enforce this entirely novel condition.

37. After making some general remarks on the policy of decentralisation, to which we shall presently recur, the following passage occurs (paragraph 27) —"According, however, to Abstract D., appended to your Financial Statement, "the Provincial Governments exceeded their annual income in 1881-82 by "1,520,000 *l.*, and in 1882-83 by 1,525,000 *l.*, and they are estimated to do so "in 1883-84 by 1,500,000 *l.*" There is a serious error of fact in this statement. The figures, so far as they relate to the year 1881-82, given in Abstract D., are as follows :—

	£.
Balance at end of 1880-81 - - - - -	3,298,064
Added in 1881-82 - - - - - - -	1,521,019
Spent in 1881-82 - - - - - - -	1,227
Balance at end of 1881-82 - - - - -	4,817,856

38. We wish to point out that, in the case of the year 1881-82, the sum of 1,521,019 *l.*, which is entered as having been "added in 1881-82," is treated in the Despatch under reply as if it had been spent, and the sum of 1,227 *l.*, which is entered as having been "spent in 1881-82," is treated as if it had been added. Thus, by the subtraction instead of the addition of about 1,500,000 *l.*, an error of 3,000,000 *l.* is created. So far from the Provincial Governments having "exceeded their annual income in 1881-82 by 1,520,000 *l.*" their balances were increased by about that sum. The strictly accurate way of stating the case is as follows. The Provincial Governments added 1,754,990 *l.* to their balances in 1881-82. Local bodies, on the other hand, reduced their balances by 235,198 *l.* Looking at Provincial and Local balances together, there was an increase in the balances of 1,519,792 *l.*

39. In connection with the estimated Provincial and Local balances on 31st March 1884 (1,793,156 *l.*), it is observed (paragraph 27) that it is "little "more than enough to meet the expenditure of a single year in excess of "their income at the present rate." This statement is quite correct; but, of course, there was never the least intention to continue expenditure in future years at the rate of the estimated expenditure of 1882-83 and 1883-84. The expenditure from the balances which accumulated during the Afghan War is of a purely temporary nature.

40. Your Lordship then goes on (paragraph 27) to say that—"There will "be an obvious danger that, when the balances are exhausted, it may be "impossible suddenly to effect the necessary retrenchment without much "waste and hardship, or that the equilibrium could only be restored by "resorting to the serious evil of imposing fresh taxation."

41. The importance which your Lordship attaches to this subject is shown by the allusions which were made to it in former Despatches, to which attention is drawn in paragraph 1 of the Despatch now under consideration. In a Despatch, No. 222, of 28th July 1881 (paragraph 50), Lord Hartington expressed himself as follows :—"While I recognise the claim of the Provincial "Governments to dispose of their accumulated balances, as has been allowed "in the present year, when the state of the general finances permitted it, I "trust that your Government will exercise such a supervision as will prevent "them from entering into an expenditure which cannot be readily reduced "within a scale corresponding to their annual revenues." Allusion was again made to the same subject in paragraph 41 of a Despatch, No. 243, of 3rd August 1882.

42. There

42. There can be no doubt that, if it can be shown that any Provincial Government has increased its permanent recurring annual expenditure above its permanent recurring annual income, the position would be serious. We do not, however, understand that this is alleged. If, moreover, the Provincial Governments have undertaken large public works, which it would be false economy not to complete, and which there is reason to suppose cannot be completed with the resources at their disposal, without a resort to fresh taxation, there would be ground for anxiety. But, if it can be shown that the balances have been spent once for all on railways and canals, or, still more, on jails, court-houses, public offices, &c., that the excess expenditure will cease when those works are completed, and that they can be completed with the resources now at the disposal of the Provincial Governments, then we submit that the financial position is quite sound, and that there is no ground for the apprehension that a resort to fresh taxation will be necessary. It will be desirable to go fully into the details of this question, in order to show which of the views, to which we have alluded above, is borne out by the facts of the case. This has been done in paragraphs 93–117 of Sir Evelyn Baring's Minute attached to this Despatch.

43. We venture to think that the facts which are adduced by our honourable colleague are of a nature to show that the apprehensions which your Lordship seems to entertain are unfounded. The Provincial works are isolated, entailing no liabilities except the small one for the completion of each. The larger works, such as railways and canals, are either already completed or will very shortly be finished. There is no class of outlay which is more under the control of Government than that on *Civil Buildings*, &c. The Government can build as many jails, cutcherries, &c., as it pleases, according to its means, and the time will soon come when the districts, which have been notoriously deficient in these necessaries of administration, will be fairly well supplied. So also the number of miles of road to be constructed in any one year depends on the funds available for the time being.

44. In paragraph 28 of the Despatch under reply, attention is drawn to the fact that the balance of the Bengal Government at the end of the current year is estimated at 70,000 *l.*, which, it is observed, is "an amount which appears to "me much too small a reserve for the wants of so large a Province." Attention is also drawn to the fact that the closing balance of British Burmah is estimated at less than 17,000 *l.* We agree in thinking that these balances are too low; and we will presently state what steps should, in our opinion, be adopted for the future to prevent them sinking to so low a figure. In the meanwhile, we wish to say that, for the reasons stated in paragraph 10 of this Despatch, the actual closing balances will very probably be considerably in excess of the estimates. No blame can be imputed to the Lieutenant-Governor of Bengal or the Chief Commissioner of Burmah in this matter, because hitherto the rule in the matter of balances has been that the Local Governments must never absolutely exhaust their balances. (*See* Financial Resolution No. 1709, dated 22nd March 1877.)

45. Your Lordship then goes on to say: "I am apprehensive * * * "that their Budgets (*i.e.*, the budgets of the Provincial Governments) have "been passed by your Government as a matter of course, provided only that "their balances were sufficient to avoid any demand being made on your "Treasury." The Provincial Budgets have always been carefully scrutinised before they have been passed, but we are quite willing to admit that, if the Bengal and Burmah estimates are realised, the balances of those Provinces will have been allowed to fall too low.

46. The gravamen of the complaints now made appears to be that during the last few years there have been great fluctuations in the annual rate of Provincial and Local expenditure. It is said (paragraph 27) that the "expen- "diture should be at a sufficiently uniform rate to avoid violent fluctuations." In this view we entirely agree; but, before any blame is imputed either to the Provincial Governments or to the Government of India on account of these fluctuations, and before any restrictions are imposed on the powers now possessed by Provincial Governments, it is necessary to inquire what causes have led to the fluctuations, and whether such fluctuations are likely to recur in the future. Allusion is made to these causes in the 29th paragraph of the Despatch under reply. "In 1881," it is said, "their balances (*i.e.*, the balances of "Provincial

"Provincial Governments), which had already been exceptionally increased "by suspension of expenditure, were further augmented by the grant of "670,000 *l.* for expenditure on Productive Public Works. This may have led "to a somewhat irregular outlay not likely to recur." The causes of the recent fluctuations in expenditure are rightly indicated, but we doubt whether the extent to which the Afghan War exercised a disturbing influence on the financial position for a long time after its conclusion has been fully realised. On 9th November 1878, the Government of India issued the following orders:—"In view of the possibility of military operations beyond the North "Western Frontier, for which costly preparations are being already made, "* * * it is of immediate importance that the resources of the country "should thus, as far as possible, be made available to meet present and probable "extraordinary demands; and measures should be taken for suspending or "postponing all optional expenditure, whether Imperial, Provincial, or even "from Local Funds, the balances of which are in the Imperial Treasury." The manner in which these orders operated will be seen from the following table, which shows the growth of the Provincial and Local balances from 1877-78 to 1881-82:—

	Provincial Balances.	Local Balances.
	£.	£.
1877-78 - - - - -	399,564	861,642
1878-79 - - - - -	1,323,467	1,199,113
1879-80 - - - - -	1,723,311	1,284,642
1880-81 - - - - -	1,950,056	1,386,271
1881-82 - - - - -	3,705,046	1,146,497

47. The large increase in the Provincial balances in 1881-82 was partly due to the fact that the country was very prosperous during that year, and partly to the repayment by the Imperial Government to the Provincial Governments of 670,000 *l.*, which had been taken from them during the war. It would, we submit, have been very faulty finance, and it would certainly not have been in harmony with the spirit of the Provincial contracts, if the Local Governments had not been allowed to spend their accumulated balances. But by the end of 1883 84 by far the greater portion of those balances will have been spent. The effects of the Afghan War will still be felt in 1884-85, although to a much less extent than during the current year. In 1885-86 the normal conditions of Provincial finance should, we think, have been attained.

48. We have dealt fully with the facts and arguments adduced in the Despatch under reply, because it appears to us very important that those facts and arguments should be carefully examined, with a view to ascertaining how far they justify any apprehensions as regards the financial future. We do not, however, at all wish to imply that the present regulations, under which Local Governments are allowed to spend their money, are perfect and admit of no improvement. We are of opinion that some changes are desirable. We proceed to discuss the nature of these changes.

49. Your Lordship says (para. 29)—"In making these observations, I do "not wish at all to interfere with the disposal of their funds by the Local "Governments under any suitable general regulations laid down." We fully agree that some further general regulations than those which at present exist should be laid down, but we are unable to think that the regulations proposed are altogether suitable. Great care is necessary in dealing with this question. We cannot hope to obtain the advantages both of decentralisation and centralisation. The advantages of the former far outweigh those of the latter system, but it cannot, of course, be denied that a much more rigid control over expenditure by the Government of India is possible under a centralised than under a decentralised system of government. Further, we must be careful how we touch a system which has produced such very satisfactory results. That the general results of the system have been satisfactory is fully recognised in the Despatch under reply. "The policy," it is said (para. 27), "of decentralisa-

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" tion of some portion of the finances has certainly been eminently successful " as regards the improvement of the revenue under the more careful supervision " of the Local Governments." Some of the improvement of the revenue is, of course, due to general prosperity, but, without doubt, a good deal of it is due to the cause to which allusion is made above. It may well be doubted whether the supervision of the Local Governments would have been so careful, had they not been stimulated by the knowledge that a considerable latitude would be allowed to them in spending any money they might save. We must be careful, therefore, how we restrict the latitude which has heretofore been allowed to them.

50. The regulations now laid down (para. 29) are that, subject to certain exceptions, to which we will presently allude, the " rule of keeping the expendi- " ture of each Local Government within its annual income should only be set " aside for urgent reasons." " I desire," your Lordship adds, " that they (the " Local Governments) may be requested in future to prepare their Budgets in " conformity with this principle."

51. The exceptions which are to be allowed to these rules are three in number. We give them in the words of para. 29 of the Despatch under reply. They are as follows:—

(1) " Cases may hereafter arise where a public work is of great import- " ance, and where, by the system of contract, it can be constructed " without enlarging the establishments, and for this object some " accumulation of funds may be justified, and the surplus balances " may be properly applied to such a purpose.

(2) " After the Budget for the year has been determined, some unfore- " seen want may be felt; and, if the pressure is sufficient to " make immediate action desirable, a grant from the balances " may properly be sanctioned.

(3) " There may be an unexpected and temporary loss of revenue, and " the appropriation of a portion of the balances may meet the " deficiency, without the necessity for disarranging any branch of " the administration, in order to provide the necessary equili- " brium."

52. We think it is to be regretted that these orders were issued without consultation with the Government of India. If there be one Indian question more than another that requires full consideration in India as well as in England, it is the Provincial system of finance. Under present circumstances, however, it only remains for us to consider whether we can carry out these orders, or whether, before doing so, we should move your Lordship to allow some modifications of them.

53. It is quite clear that, if the general rule to which allusion is made in the last sentence of paragraph 29 of the Despatch under reply be made absolute, a fatal blow would be struck at the Provincial system of finance. If the Provincial Governments, having saved money in past years, are not to be allowed to spend their savings save " for urgent reasons," they will have but little inducement to save at all. The result, so far from being productive of economy, would certainly lead to extravagance. No attempt would be made to save money, and every effort would be made to spend the whole of the annual income within the year. Experience has taught us how very wasteful this system is, particularly as regards expenditure by the Public Works Department.

54. The feasibility of giving effect to the instructions, without virtually destroying the Provincial system of finance, depends, therefore, on the nature of the exceptions to the general rule which are allowed.

55. It is obvious that it would be quite impossible not to allow of the second and third exceptions to which allusion is made in para. 51. If " some unfore- " seen want " arises during the year, in respect to which " immediate action is " desirable," a special grant must, of course, be made. Otherwise it would not be possible to grant one rupee during the year for which provision had not been

been made at the time of Budget. Under existing regulations the Local Governments cannot sanction any expenditure during the year in excess of the total of their Budget Estimate without the consent of the Government of India, although savings under one head of account may be used to balance excess expenditure under some other head. Also, "if an unexpected and temporary "loss of revenue" occurs during the year, the deficiency must, of course, sometimes be met from the balances. Otherwise there would be no option but to impose fresh taxes during the year to meet some temporary loss, although neither the Local Government nor the Government of India might consider the adoption of such a course necessary. These exceptions are, therefore, of slight importance. Neither of them apply until after the Budget Estimate of the year has been passed. It would have been practically impossible not to allow them.

56. The first exception is, however, that which is of the greatest importance. It applies before the estimate of the year is framed. Under this exception a Local Government is to be allowed to draw upon its balances "when a public "work is of great importance, and when, by the system of contract, it can be "constructed without enlarging the establishments." This imposes three limitations on Local Governments which do not now exist.

57. In the first place, the public work is to be "of great importance." Some latitude would probably be left to the Local Governments or to the Government of India in deciding as to the degree of importance which would bring any particular public work within the terms of this exception. We presume, however, that the intention is to include a railway or canal amongst public works "of great importance," but not to include a road, a jail, a hospital, a dispensary, &c. This very seriously limits the power which the Local Governments have heretofore possessed. We can see no reason whatever why, if the Local Governments have a large balance in hand, they should not spend some of their savings on minor works quite as much as on works "of great "importance."

58. Secondly, it appears that money cannot be spent from the balances unless "the contract system" be adopted. We see no reason for this limitation. It will often be possible to spend money from the accumulated balances of past years through the direct agency of Government, without any permanent increase of establishment, and without causing any financial embarrassment in the future. Indeed, it would often be more economical to employ Government agency, because the adoption of the contract system in all cases might sometimes imply that the Local Governments would be paying for establishments when their own establishments were available for the work.

59. Thirdly, as regards works which "can be constructed without enlarging "the establishments," we wish to observe that no distinction is made between permanent and temporary establishments. We entirely agree in the view that a temporary abundance of funds should not be allowed to lead to a permanent increase of establishments, but we see no objection whatever to a temporary increase in order to supervise an expenditure once and for all.

60. For these reasons we think it would be undesirable to give effect to the instructions contained in the Despatch under reply. We are not bound to defend every item of expenditure incurred by the Local Governments. But, even if in some cases there may have been a waste of public money, it is trivial as compared with the great advantages derived from the policy of decentralisation. We do not admit that the existing system has generally led to waste, or to a permanent increase of establishments, or to liabilities which will involve financial embarrassment in the future. The results of the system since its introduction may be summarised as follows:—

(1.) The Local Governments were started in 1871-72 with receipts which fell short of their expenditure by 331,000 *l.*

(2.) In 1877-78 a new contract was made with them, and Imperial revenues gained to the extent of 400,000 *l.* per annum.

(3.) In 1881-82 the third contract was made, and Local Governments surrendered 387,000 *l.* per annum.

The

The Local Governments have made these large contributions for the benefit of Imperial revenues, they have liberally met the wants of the Administration, and they have saved more than 1,000,000 *l.*; in these circumstances we see little ground for imputing extravagance.

61. We are unable, therefore, to see what reasons exist for such considerable changes as those proposed in the Despatch under reply. We think that serious objections exist to those changes. They do not appear to us to be in harmony with the essential principles upon which the Provincial system of finance rests. Neither are they in harmony with the declaration made by Lord Hartington in his Despatch, No. 222, of 28th July 1881 (paragraph 50), to the effect that his Lordship "recognised the claim of the Provincial Governments to dispose of "their accumulated balances, as has been allowed in the present year (1881-82), "when the state of the general finances permitted it." Moreover, we are pledged to the existing Provincial contracts for three more years. To make such important changes as those proposed would destroy the confidence of the Local Governments in arrangements made by the Government of India with the full authority of the Secretary of State.

62. It remains to be considered what regulations may, in our opinion, be suitably enforced in the future as regards Provincial expenditure, and what steps it is incumbent on us to take in order to give effect to the recent Resolution of the House of Commons, to which allusion is made in paragraph 31 of the Despatch under reply. That Resolution was conceived in the following terms:— "That, in the opinion of this House, it is necessary that early steps be taken "to reduce the expenditure of India." Speaking of this Resolution, your Lordship says: "I request your Excellency to take the subject of the reduc- "tion of expenditure into your earnest consideration. Even if it should not "be found practicable to diminish to any large extent the total charges, I can "hardly doubt that economies may be effected in particular departments, and "I rely on your Excellency's Government to spare no effort to check the growth "of expenditure."

63. Turning, in the first instance, to the rules regulating Provincial expenditure, we entirely agree (paragraph 27) that "the balance which each Local "Government should keep in your Treasury ought to be fixed at such an amount "as, without unduly locking up their funds, shall suffice to meet any exceptional "demands that are at all likely to occur."

64. The precise minimum balance which each Local Government should be obliged to keep in hand must be fixed with reference to the size, revenue, and liabilities of each province, and also with reference to its liability to famine. For instance, a relatively small balance will suffice for Burmah and Assam, for those provinces are not liable to famine. The following minimum balances appear to us, as at present advised, to be suitable:—

	£.
Central Provinces	80,000
Burmah	60,000
Assam	50,000
Bengal	200,000
North-Western Provinces and Oudh	200,000
Punjab	100,000
Madras	200,000
Bombay	200,000
TOTAL £.	1,090,000

65. We

65. We suggest these amounts as the minimum Provincial balances. The estimated closing balances of the Provincial Governments on 31st March 1884, are as follows:—

	£.
Central Provinces - - - - - - -	207,000
Burmah - - - - - - - - -	14,000
Assam - - - - - - - - -	50,000
Bengal - - - - - - - - -	68,000
North-Western Provinces and Oudh - - - -	246,000
Punjab - - - - - - - - -	173,000
Madras - - - - - - - - -	195,000
Bombay - - - - - - - - -	301,000
TOTAL - - - £.	1,254,000

66. It will be seen that the total amount of the balances (1,254,000 *l.*) is 164,000 *l.* in excess of the total minimum which it is proposed to prescribe (1,090,000 *l.*). Some provinces, however, are estimated to close with a balance in excess, and others with a balance below the minimum. Thus the Central Provinces will be 127,000 *l.*, the North-Western Provinces and Oudh 46,000 *l.*, the Punjab 73,000 *l.*, and Bombay 101,000 *l.*, in excess of the minimum. Assam is estimated to close with a balance precisely equal to the proposed minimum (50,000 *l.*). On the other hand, Burmah is estimated to close with a balance of 46,000 *l.*, Bengal with a balance of 132,000 *l.*, and Madras with a balance of 5,000 *l.*, less than the prescribed minimum.

67. We think that every Local Government should be told that it is not to reduce its balance below the prescribed minimum without the special sanction of the Government of India. As regards those provinces (Burmah, Bengal, and Madras) which are estimated to close with balances below the minimum on 31st March 1884, we think they should be told that their expenditure must be reduced to such an extent as to allow of their working up to the prescribed minimum by 31st March 1885. We do not think that either Burmah, Bengal, or Madras should have any difficulty in doing this, for we have little doubt that, under normal circumstances, the closing balances on 31st March 1884 will be considerably above the Budget Estimate.

68. As regards the Local Fund balances it does not appear to us that any special orders are necessary.

69 We do not think that any special rules are required as to the manner in which the Local Governments may spend their balances in excess of the minimum. But we think that the attention of the Local Governments may be drawn to the desirability of avoiding great fluctuations of expenditure in future. In doing this we must carefully avoid imputing any blame to the Local Governments on account of those fluctuations which have recently occurred. We may also draw their attention to the fact that great care must be taken not to increase permanent Public Works establishments beyond what would be required when any surplus balances are exhausted.

70. Turning now to the question of reducing expenditure, it is to be observed that, owing to the exhaustion of the Provincial balances, there would in any case have been a large reduction of expenditure next year. Further, in view of the large reduction which will have to be made in the opium estimate, it will certainly be necessary to frame the Imperial estimates of 1884-85 with great care, and not to allow any additional expenditure that can well be avoided. We do not doubt that some reduction of Imperial Public Works expenditure is possible. The offices at Calcutta and Simla, which have been in course of construction during the last two years, should, we think, be pretty well finished by the end of the current financial year. This will allow of some reduction of expenditure under *Civil Buidings, Roads, and Services.* Further, the grant to the Telegraph Department for capital expenditure, which was unusually large this year (260,000 *l.* net), must certainly be curtailed in 1884-85. Moreover, if any further grant be required for *Frontier Railways* in 1884–85, it will certainly

certainly not be necessary to make provision under this head to the same extent as in 1883–84 (67,500 *l.*).

71. We think, with reference to the remarks in paragraph 10 of this Despatch, that all the Departments of the Imperial Government, as well as all Local Governments, should be warned to frame their estimates with special care, especially those of expenditure, so that they may harmonise with the facts more nearly than has been occasionally the case in the past. We very much deprecate any general attempt to reduce permanent establishments. Such measures almost invariably lead to extravagance in the end. But we think that, in view of the Resolution in the House of Commons, and of the remarks contained in your Lordship's Despatch under reply, all Departments may be informed that, in framing the estimates of 1884–85, no increase of expenditure should be provided for except on grounds of the clearest necessity, and, further, that the estimates must be framed with a strict view to economy. We do not think anything more than this is necessary.

72. We should be glad if the reply to this Despatch could reach India not later than early in December, that is to say, before the various Departments concerned commence to frame their estimates for 1884-85.

We have, &c.
Ripon.
D. M. Stewart.
E. Baring.
T. F. Wilson.
C. P. Ilbert.
S. C. Bayley.
T. C. Hope.

Enclosure in No. 5.

MINUTE by the Honourable Sir *Evelyn Baring*, K.C.S.I., 24 August 1883.

1. THIS Minute is intended to supplement the Despatch to which it is appended, and to furnish information on points of detail which could not have been incorporated into the Despatch itself without extending it to great length.

2. In paragraph 5 of the Despatch under reply the average gross expenditure (Imperial, Provincial, and Local) of the triennial periods from 1871–72 to 1882–83, as well as the estimated expenditure of 1883–84, is given. The figures are as follows:—

		£.
Average - - - -	1871–72 to 1873–74 -	55,486,000
„ - - - -	1874–75 to 1876–77 -	59,549,000
„ - - - -	1877–78 to 1879–80 -	65,376,000
„ - - - -	1880–81 to 1882–83 -	71,624,000
Budget Estimate - -	1883–84 - - -	68,316,000

3. I have not endeavoured to check the accuracy of these figures, but I do not doubt that they have been carefully compiled from official sources and that they are correctly stated.

4. Certain items are then deducted from the total expenditure, as stated above (paragraph 2), as "representing expenditure of an abnormal character, or such as is for the most part beyond the control of the Government," viz.:—

(1.) Famine Relief and Insurance;
(2.) Exchange;
(3.) War Charges;
(4.) Frontier Railways;
(5.) Subsidised Railways;
(6.) Interest on Debt, &c.;
(7.) Superannuation, Civil;
(8.) Non-effective Charges, Army;
(9.) Productive Public Works, Revenue Account.

I have some observations to make in respect to these deductions.

5. There can be no reason why, for purposes of comparison, the sums spent on *Famine Relief and Insurance* should not be deducted. But I wish to point out that, although the occurrence of famine, and therefore the amount of money spent on the relief of famine, is of course "beyond the control of the Government," it cannot be said that the amount spent on insurance against future famines is either "abnormal" or that it is "beyond the "control of Government." On the contrary, the money so spent is strictly within the control of Government, and the charge of 1,500,000 *l.* is now normal, that is to say, it will recur annually. I also wish to point out that, as a matter of fact, there is a marked difference between the manner in which the sums entered under *Famine Relief and Insurance* have been spent subsequent to 1880-81, and the manner in which the money was spent in 1880-81 and previous years. Up to 1880-81 the money entered under this head was spent on the actual relief of famine, and the amount which was derived from the famine taxes, which were imposed in 1878, merely went to reduce the war deficits. Since 1881–82 (inclusive) there has fortunately been no famine, and the Government has been able to devote nearly 1,500,000 *l.* a year either to the reduction of debt or to the construction of protective works.

6. The charge for *Exchange* is very rightly deducted. It depends mainly on the fluctuations in the relative value of gold and silver, which are, of course, wholly beyond the control of Government, whether in England or in India.

7. The question of deducting *War Charges* is discussed in paragraphs 11 and 12 of the Despatch to which this Minute constitutes an Appendix.

8. As regard *Frontier Railways*, I have to observe that, if the capital expenditure on unproductive railways made for military purposes be deducted from the expenditure of certain years, I do not quite see why the capital expenditure entered under 42. *State Railways, Capital Account*, which is specially heavy in the years 1878-79, 1879-80, 1881-82, 1882-83 (Revised Estimate), and 1883-84 (Budget Estimate), should not be deducted from the expenditure of all the years under consideration. These latter lines, though not technically classed as Productive, will certainly prove more remunerative than the Frontier Railways. It may, however, be argued that the Frontier Railways would never have been constructed but for the Afghan War. I, therefore, let the deduction stand.

9. I do not quite understand why the charges on account of *Subsidised Railways*, which only occur in the years 1881-82 (18,000 *l.*), 1882–83 (104,000 *l.*), and 1883-84 (185,000 *l.*), are deducted. Neither is any explanation given in the Despatch of the reason why these deductions are made. The charges on this account are "abnormal" in the sense that each case has been treated on its own merits, and that the Government has as yet adopted no regular system for subsidising Railway Companies. But they cannot be said to be "beyond the control of Government." It is, however, a fact that a great deal of this money will eventually come back to the Government. In any case, as the deduction is made in the Despatch under reply, I let it stand for purposes of further calculations.

10. It is perhaps as well to deduct *Interest on Debt, &c.*, as, in so far as *Interest on Ordinary Debt* is concerned, the figures since 1871-72 do not always deal with the same class of facts. *Interest on Debt incurred for Productive Public Works* was only separated from *Interest on Ordinary Debt* from 1876-77 onwards. I think, however, it would have been more correct not to have deducted the charge on account of *Interest on Deposits*. This charge is not "abnormal." It is, moreover, to a great extent within the control of Government. It depends greatly on the interest allowed upon Savings Banks deposits. The heavy charge under this head in 1881–82 was partly* due to the fact that, from 1st January 1880, the interest allowed on Savings Banks deposits was raised from $3\frac{3}{4}$ to $4\frac{1}{6}$ per cent. The estimated fall in 1882–83 (462,400 *l.*) and in 1883-84 (446,400 *l.*) is partly due to the fact that in May 1881 the rate of interest was again lowered to $3\frac{3}{4}$ per cent.

11. I wish, however, to point out that, under the method adopted in the Despatch under reply, the deduction of the charges on account of *Interest on Debt, &c.*, tells to the disadvantage of the year 1881–82, and subsequent years. The disadvantage under which the years from 1876–77 (inclusive) might appear to labour, by reason of a portion only of the total interest charge being deducted in those years, is rectified in the total of the account given in paragraph 5 of the Despatch, because, as the charge on account of *Productive Public Works* (*Revenue Account*) is deducted, the "Remainder" at the foot of the account does not include any interest charge whatsoever. On the other hand, since 1880-81 there has been a real reduction on account of *Interest on Ordinary Debt*. In 1881–82 a sum of 715,151 *l.* was applied to the reduction of debt. According to the Revised Estimate for 1882–83, 1,330,200 *l.* will have been applied to the reduction of debt in that year. If there be no famine, 131,700 *l.* will be applied to the reduction of debt in 1883–84. The total, therefore, of the three years is 2,177,051 *l.*, representing a reduction in the annual interest charge on account of *Interest on Ordinary Debt* of about 80,000 *l.*

12. The

* *See*, for other reasons, *Appropriation Report for* 1881–82, *Section A* 2 (paragraph 25).

12. The *Civil Superannuation* charges and military *Non-effective Charges* are certainly "beyond the control" of the Government of India and may properly be deducted. I wish I could think that they were in any considerable degree "abnormal."

13. Besides these deductions, the charges on account of *Productive Public Works* (*Revenue Account*) are excluded from the calculation. If we wish to make any comparison between the expenditure of different years under the service heads, there is no reason why these charges should not be deducted. But, of course, if any general comparison is to be made of the relative growth of revenue and expenditure, the net revenue or expenditure on account of *Productive Public Works* (*Revenue Account*) must be included.

14. After making the deductions to which I have alluded above, the result (paragraph 5) is as follows:—

	Expenditure.
	£.
Average 1871-72 to 1873-74 - - - - -	38,831,000
„ 1874-75 „ 1876-77 - - - - -	41,001,000
„ 1877-78 „ 1879-80 - - - - -	40,778,000
„ 1880-81 „ 1882-83 - - - - -	42,670,000
1883-84 (Budget Estimate) - - - - -	43,383,000

15. For the reasons which are given in paragraph 12 of the Despatch to which this Minute is appended, I think that 660,000 *l.*, which represents war expenditure charged to the ordinary account in 1881-82, should be deducted, thus leaving the average expenditure of the triennial period from 1880-81 to 1882-83 (both inclusive) at 42,010,000 *l.*, instead of 42,670,000 *l.*

16. In paragraph 6 of the Despatch under reply the total figures given above are divided into the following groups:—

(1.) Direct Demands on the Revenues.
(2.) Post Office, Telegraph and Mint.
(3.) Civil Departments.
(4.) Miscellaneous Civil Charges (omitting Superannuations).
(5.) Public Works not classed as Productive (omitting Subsidised and Frontier Railways).
(6.) Army: effective services.

17. The several groups of expenditure are then (paragraph 7) examined in some detail, and, dealing first with *Direct Demands on the Revenue*, it is pointed out that in 11 years they have increased by 1,368,000 *l.*, or about 19 per cent. The Despatch then goes on to say: "Compared with the gross receipts from the principal sources of revenue, the direct "claims amounted in—

"1871-72 to 1873-74 to 15·4 per cent.
"1874-75 „ 1876-77 „ 17·2 „
"1877-78 „ 1879-80 „ 15·7 „
"1880-81 „ 1882-83 „ 16·0 „
"Budget „ 1883-84 „ 17·0 „

"which last figure would have been 17·3 per cent., had not the refunds of departmental "and other receipts been removed from this group in 1881-82 and charged against the "several departmental heads of expenditure." The details of the charges which are included in the group entitled *Direct Demands on the Revenues* are then given under the several major heads as they appear in the Accounts and Estimates. Some remarks as regards the method of comparison adopted in the Despatch under reply are made in paragraph 13 of the Despatch to which this Minute constitutes an Appendix. I may add the following observations:—

18. In the case of *Land Revenue* it might at first sight appear that this system of comparison would lead to accurate results; but it is to be borne in mind, in the words of Sir John and General Strachey,* that "the amount of land revenue collected between "1876-77

* *The Finances and Public Works of India*, p. 27.

"1876-77 and 1879-80 was so greatly disturbed by remissions or postponements of the "demand made in consequence of famine, that no comparisons can usefully be made "between the figures of particular years." Further, an apparent increase of expenditure in 1882-83 and 1883-84, amounting to 75,000 *l.* a year, is really due to a remission of taxation in Oudh. Lastly, I may mention that we now know from the preliminary actuals of 1882-83 that the accounts will show a better result than the Revised Estimate by about 105,000 *l.* This, of course, affects the conparative percentage of the triennial period from 1880-81 to 1882-83. This method of comparison is, therefore, of but slight value so far as *Land Revenue* is concerned.

19. The method may, however, without any great objection, be adopted in the case of *Stamps*, *Excise*, *Registration*, and *Forest*, although in the case of *Forest* the conclusions to be drawn from this method of comparison are to some slight extent invalidated, owing to a remission of taxation, amounting to about 25,000 *l.* a year, having taken place in January 1882 (*see* Financial Statement for 1882-83, paragraph 53).

20. As regards *Customs*, *Provincial Rates*, and *Assessed Taxes*, the numerous changes, which have from time to time been made in the fiscal laws regulating their collection, render any comparisons on the basis of percentages of little value.

21. As regards *Opium* and *Salt*, I need add nothing to the remarks contained in paragraphs 14-17 of the Despatch to which this Minute constitutes an Appendix.

22. The following table shows how the figures will stand if the expenditure under *Opium*, *Salt*, and *Assignments and Compensations* be deducted, as I think it should be :—

000s *omitted*. £. 1 = *Rs.* 10.

YEARS.	Figures as stated in Paragraph 7 of the Secretary of State's Despatch.	Deductions.			Total Deductions.	Difference of Columns 1 and 5.
		Assignments and Compensations.	Opium	Salt.		
	1.	2.	3.	4.	5.	6.
	£.	£.	£.	£.	£.	£.
Average 1871-72 to 1873-74 - - -	7,266	866	1,804	479	3,149	4,117
„ 1874-75 „ 1876-77 - - -	8,142	885	2,467	487	3,839	4,303
„ 1877-78 „ 1879-80 - - -	7,990	988	2,142	430	3,560	4,430
„ 1880-81 „ 1882-83 - - -	8,375	1,217	2,144	450	3,811	4,564
Budget Estimate, 1883-84 - - -	8,634	1,246	2,165	546	3,957	4,677

23. In order now to arrive at the proper percentages for comparison, we must deduct the revenue on account of *Opium* and *Salt* from the totals shown under *Principal Heads of Revenue* in the Accounts and Estimates. This has been done in the following table :—

000s *omitted*. £. 1 = *Rs.* 10.

YEARS.	Principal Heads of Revenue.	Deductions.		Total Deductions.	Difference of Columns 1 and 4.
		Opium.	Salt.		
	1.	2.	3.	4.	5.
	£.	£.	£.	£.	£.
Average 1871-72 to 1873-74 - - -	47,177	8,754	6,096	14,850	32,327
„ 1874-75 „ 1876-77 - - -	47,271	8,717	6,260	14,977	32,294
„ 1877-78 „ 1879-80 - - -	50,875	9,634	6,889	16,523	34,352
„ 1880-81 „ 1882-83 - - -	52,717	9,968	6,873	16,841	35,876
Budget Estimate, 1883-84 - - - -	50,594	9,200	6,167	15,367	35,223

24. We

24. We are now able to arrive at the following results. Compared with the gross receipts from the principal sources of revenue (exclusive of *Opium* and *Salt*), the direct claims (exclusive of *Assignments and Compensations, Opium* and *Salt*) amounted in—

1871–72 to 1873–74 to 12·73 per cent.
1874–75 to 1876–77 to 13·32 „
1877–78 to 1879–80 to 12·89 „
1880–81 to 1882–83 to 12·72 „
Budget Estimate, 1883–84 to 13·28 „

25. It will be seen that the percentage is lowest in the fourth triennial period, viz., from 1880–81 to 1882–83, being ·01 below the first, ·6 below the second, and ·17 below the third triennial period. Further, it is believed that, when the actuals of 1882–83 are ascertained, the percentage will prove somewhat below the figure reached with the Revised Estimates of that year.

26. With regard to the percentage of 1883–84, it is ·04 below the percentage of the second triennial period, and ·55, ·39, and ·56 above the percentages of the first, third, and fourth triennial periods, respectively; but it is very probable that a considerable portion of this increase will disappear when the accounts for the current year are closed, and it is possible to substitute actuals for the figures of the Budget Estimate. There are, however, some special reasons why the percentage of 1883–84 may be expected to be above that of former years. These are (1) that the abolition of the patwari cess in the North-Western Provinces, whilst it diminished the revenue by about 241,000 *l.* a year, did not involve any diminution of expenditure; * (2) that a remission of taxation in Oudh took the form of an increase of expenditure under *Land Revenue* to the extent of 75,000 *l.* a year; † (3) that there was a large reduction of revenue under *Customs* owing to the abolition of the import duties, and, although customs establishments have been reduced, it was not to be expected that a reduction of expenditure would be possible which would be proportionate to the loss of revenue.‡

27. In paragraph 10 of the Despatch under reply the question of *Land Revenue* is considered separately. The remarks made on this subject are as follows:—"Taking "together the receipts from Land Revenue (including that credited to Productive Public "Works) and from Provincial Rates, the cost of collection amounted in—

" 1871–72 to 1873–74 to 12·58 per cent.
" 1874–75 to 1876–77 to 12·93 „
" 1877–78 to 1879–80 to 12·40 „
" 1880–81 to 1882–83 to 12·27 „
" Budget Estimate, 1883–84, to 13·03 per cent.

"From these figures I think it may be inferred that the revenue derived from the land "has, up to 1882–83, been increasing at a greater rate than the cost of the establishment "charged with its collection, and the contingent outlay which appears under this head; "but the increased charge in the Budget for 1883–84, which is caused by the measures "adopted last year for the improvement of the position of the Subordinate Civil Service, "and for the relief of landlords in Oudh by paying the patwaris from Government "revenues, has brought the ratio to a higher point than at any time during the period "under review."

28. It is pointed out in para. 19 of Despatch to which this Minute is appended, that in these remarks no allusion is made to a very important consideration bearing uponthe percentage which the cost of collection bears to receipts in the years 1882–83 and 1883–84. This consideration is that the patwari cess in the North-Western Provinces, which yielded 241,000 *l.* a year, was abolished in March 1882. Further, it is to be observed, that the payment to patwaris and kanungoes in Oudh from Government revenues cannot be regarded as an increase of expenditure in the ordinary sense of the term. It is in the nature of a remission of taxation.

29. The average receipts from *Land Revenue* (including those credited to Productive Public Works) and from *Provincial Rates*, in the triennial period from 1880–81 to 1882–83, was 24,973,000 *l.*, and the average expenditure was 3,064,000 *l.* If, however, we make a calculation on the assumption that the patwari cess had not been abolished, and that no change had been made in the system under which patwaris and kanungoes used to be paid in Oudh, the average revenue during this period would be brought up to 25,053,000 *l.*, and the average expenditure would be reduced to 3,039,000 *l.* The percentage would then stand at 12·13, which is lower by ·14 per cent. than the figure worked out in the Despatch under reply.

30. The

* This cause also very slightly affects the average of the triennial period from 1880–81 to 1882–83, a the cess was abolisned in March 1882.

† This also slightly affects the percentage of the period from 1880–81 to 1881–82, as the reform in question was carried out in the course of the year 1882–83.

‡ This also slightly affects the percentage of the period from 1880–81 to 1882–83. The duties were abolished on 10th March 1882. The customs revenue was, therefore, largely reduced during the last three weeks of the financial year 1882–83.

30. The estimated amount of Land Revenue, including Provincial Rates, in 1883-84 is 25,026,000 *l.*, and the expenditure 3,263,000 *l.* If now we treat the revenue and expenditure of 1883-84 in the same manner as that in which we have treated the revenue and expenditure of the triennial period from 1880-81 to 1882-83, we arrive at the following results. The revenue would be raised by 241,000 *l.*, namely, from 25,026,000 *l.* to 25,267,000 *l.* The expenditure would be reduced by 75,000 *l.*, namely, from 3,263,000 *l.* to 3,188,000 *l.* The percentage, instead of being 13·03, would be 12·61. This is ·03 in excess of the first triennial period, ·32 below the second triennial period, ·21 in excess of the third triennial period, and ·48 in excess of the fourth triennial period. It is very probable that, when the accounts of the year 1883-84 come to be finally made out, the percentage will show more favourably. Some increase is, however, to be expected, for the following reasons: (1) That a portion of the cost of improving the position of the Subordinate Civil Service was debited to *Land Revenue;* (2) that the establishments of patwaris and kanungoes, both in the North-Western Provinces and in Oudh, had to be increased; and (3) that the *Allowances to District and Villages Officers* in Madras, which are paid from Local Funds, had been allowed to fall into arrear, and that the arrears are now being paid off (*see* Appendix II. to my Minute of 11th August, para. 41; enclosure to Despatch No. 234 of 24th August 1883).

31. The Despatch does not deal in detail with any of the other heads of account which appear under *Direct Demands on the Revenues*, with the single exception of *Forest*. In respect to this item, it is said (para. 13) that, "owing to the great increase of charge "under *Forest*, the net revenue from that source, 259,300 *l.*, set down in the Budget, is "very considerably less than in either of the two previous years." There has been an increase of expenditure under *Forest*, due to the reorganisation of the Department, especially in Madras, where the *Forest* administration had been for many years in a very unsatisfactory condition (*see* Report of the Famine Commissioners, Part II., page 178). There has also been a diminution of revenue, amounting to about 25,000 *l.* a year, due to the reduction of duty on the Salween river in Burma (*see* Financial Statement for 1882-83, para. 53). But it is to be remembered, in this instance especially, that a comparison has been instituted between the Budget Estimate of 1883-84 on the one hand, and the Revised Estimate of 1882-83 and the accounts of 1881-82 on the other hand. A more correct method of comparison would, I venture to think, be to compare the Budget Estimates of all the three years under review. If a comparison be made on this basis, we arrive at the following results. The Budget Estimate of 1881-82 showed a net revenue of 199,000 *l.*, being 60,300 *l.* below the figure for 1883-84. The Budget Estimate of 1882-83 showed a net revenue of 228,000 *l.*, being 31,300 *l.* below the figure for 1883-84. It is very possible that, owing to the increase of charge to which I have already alluded, the net revenue from *Forest* in 1883-84 will be somewhat less than in 1881-82 and in 1882-83, though I am by no means certain on this point. But, judging from the experience of the past, it may be said, with a reasonable degree of confidence, that the accounts of the current year will show a more satisfactory result than the Budget Estimate.

32. As regards the expenditure under *Post Office*, to which allusion is made in paragraph 14 of the Despatch under reply, it is pointed out in paragraph 22 of the Despatch, to which this Minute constitutes an Appendix, that the charges on account of *District Dáks* are debited to *Post Office*, whilst the receipts which cover those charges are credited to *Provincial Rates*. These receipts amount to about 100,000 *l.* a year. It results, therefore, that in any calculation purporting to show the extent to which the Post Office is self-supporting, receipts to the extent of 100,000 *l.* should be added to the revenue or deducted from the expenditure side of the account.

33. Then again, in the estimate for 1883-84, a sum of 37,700 *l.* is included as *Payments to State Railways*. Nearly the whole of this amount comes back to Government in the form of receipts under *Railways*, the only real cost involved being the wear and tear consequent on the conveyance of the mails. The same may be said of an item of 600 *l.* entered under *Payments to the Northern Bengal State Railway for Tramway Service*. Further, there is a sum of 8,500 *l.* entered under *Railway hire for conveyance of Bunghy parcels*; a further sum of 2,000 *l.* entered under *Special train hire*, and a further sum of 1,200 *l.* entered under *Haulage of sorting carriages*, making a total of 11,700 *l.* under these three sub-heads of account. A good deal of this money goes to the Guaranteed Railways, and I am unable to say exactly how much comes back to Government in the form of receipts. But I certainly shall not be overstating the case if I say that about one-half, or, say, 6,000 *l.*, of the expenditure is only nominal.

34. If we add these items together, we arrive at the following results:—

	£.
Credited to Government under *Provincial Rates* -	100,000
Credited to Government under *Railways* (37,700 *l.* + 600 *l.*), say - - - - - - - - -	38,000
Credited to Government under *Guaranteed Railways*, about - - - - - - - - - -	6,000
Total - - - £.	144,000

35. The

35. The real estimated cost of the Post Office to the taxpayers in 1883-84 is not, therefore, 212,000 *l.*, but (212,000 *l.* — 144,000 *l.*) 68,000 *l.*

36. Even this, however, does not yet fully represent the true facts of the case. The amount credited in the Budget Estimate of 1883-84 to *Post Office* under *Service Stamps* is 155,400 *l.* It cannot be doubted that, if service letters were charged at the same rates as those charged to the public, the receipts on this account would be very much higher than those shown in the estimates. The charge made to the public for a letter not exceeding one tola in weight is one anna. The official rate is one anna for a letter not exceeding 10 tolas in weight. Of course, it makes no difference, so far as the general finances are concerned, what is the rate of postage charged on service letters, for what is received under Post Office is debited under some other head of account. But I wish to point out that the charge for conveying service letters is quite as much a legitimate burden on the general taxpayers as the salaries of the various officers who carry on the administration. The Post Office might, it appears to me, be, in the strictest sense of the word, termed "self-supporting," if it showed equilibrium, exclusive of whatever it receives and spends in the way of transmitting service letters. It is, however, of course, impossible to say what proportion of the expenditure of the Post Office is due to the performance of this duty.

37. Then again I wish to point out that the subsidy paid to the British India Steam Navigation Company, amounting to 72,500 *l.* a year, is by no means for postal purposes only. If the contract had been based on postal necessities alone, a very much lower charge would, no doubt, have been shown. But in point of fact other considerations wholly unconnected with the conveyance of the mails influenced the terms upon which the contract was made.

38. Again, I wish to point out that a charge of 11,000 *l.* has, since the commencement of the year 1882-83, been transferred from *Political* to *Post Office* on account of the postal charges of the Biluchistan Agency. This is a charge which may be said to be incurred for political reasons, and it is scarcely fair, in considering the departmental position of the Post Office, to take it into account.

39. *I pointed out in Appendix II. to my Minute of 11th August, paragraph 79 (enclosure to Despatch No. 234 of 24th August 1883), that certain reductions of charge,* estimated in 1883--84 to cost 31,000 *l.*, had recently been made in the rates charged to the public.

40. The general conclusions which may be arrived at from a consideration of these facts and figures are stated in paragraph 23 of the Despatch to which this Minute constitutes an Appendix.

41. I now turn to the cost of *Telegraphs*, and here I wish to observe that, if the capital expenditure be excluded, the Indian Telegraphs are already self-supporting, and indeed yield a considerable net revenue. The figures in the margin show the net result of the revenue and expenditure account proper since the year 1872-73. It will be seen that up to and including the year 1877-78 the expenditure of the Telegraph Department always exceeded its revenue. The net results of the years 1879-80 and 1880-81 are greatly, and those of 1878-79 and 1881-82 slightly, affected by the large receipts on account of service telegrams sent during the war. These receipts were, of course, only nominal, as a corresponding amount of expenditure occurred under *Army*. 1882-83 was a normal year, for, though possibly the receipts may have been to some extent swelled by service telegrams on account of the Egyptian expedition, on the other hand, the expenditure was abnormally increased by a payment of 32,000 *l.* for stores in England, which belonged to the year 1881-82, not having been made until 1882-83. In 1882-83 the net revenue, according to the Revised Estimate, will be 27,000 *l.* In 1883-84 the net revenue is estimated at 75,000 *l.*

000's omitted.	Net revenue + Net expenditure — £.1 = *Rs.* 10.
	£.
1872-73	— 105
1873-74	— 70
1874-75	— 52
1875-76	— 57
1876-77	— 1
1877-78	— 35
1878-79	+ 14
1879-80	+ 106
1880-81	+ 139
1881-82	+ 36
1882-83 (Revised Estimte)	+ 27
1883-84 (Budget Estimate)	+ 75

42. The considerations bearing on this question, if capital expenditure be included in the calculation, are stated in paragraph 25 of the Despatch to which this Minute constitutes an Appendix.

43. Paragraph 15 of the Despatch under reply deals with the charges in the group entitled *Civil Departments,* which is made up of the following heads:—

1. General Administration.
2. Law and Justice.
3. Police.
4. Marine.
5. Education.
6. Ecclesiastical.
7. Medical.
8. Political.
9. Scientific and other Minor Departments.

44. In respect to these charges it is said that the "net cost of the Civil Departments "has, in 11 years, increased by 1,456,000 *l.*, or 17½ per cent., and in the last five "years by 820,000 *l.*, or more than 9 per cent." The details of the increases shown in the Budget Estimate for 1883-84, by comparison respectively with the triennial groups from 1871-72 to 1873-74 and from 1877-78 to 1879-80, are then given.

45. As regards the charges under *General Administration*, I dwelt so fully on the causes of increase and decrease of expenditure under this head in Appendix II. to my Minute of 11th August 1883, paragraphs 103-149 (enclosure to Despatch No. 234 of 24th August 1883), that I need say very little on the subject now. I wish, however, to observe that the real increase from 1871-72 (Accounts) to 1883-84 (Budget Estimate) is only 175,000 *l.* (*see* second table in paragraph 104 of Appendix II. to my Minute of 11th August), or at the rate of about 15,000 *l.* a year. I cannot think that, under all the conditions of Government in India, an average growth of 15,000 *l.* a year under this head can be considered excessive, more especially when it is remembered that certain charges in England, which prior to 1882-83 appeared under *Stationery and Printing*, now appear under *General Administration* (*see* paragraph 149 of Appendix II. to Minute of 11th August).

46. As regards the increase under the sub-head of *Tour expenses of the Government of India* in 1882-83, to which specific allusion is made in paragraph 16 of the Despatch under reply, I wish to observe that the increase of 15,000 *l.* in 1882-83 over 1881-82 is only nominal, and is due to the Government of India having moved to Simla before the close of the financial year 1882-83. The estimated expenditure in 1883-84 under this head is 17,000 *l.* less than the estimated expenditure of 1882-83.

47. As regards the increase in the sub-head entitled *Allowances to the Presidency Banks*, to which allusion is also made in paragraph 16 of the Despatch under reply. I have to observe that, so long as the Government continues to borrow annually for Productive Public Works, this charge must also steadily increase. It would also have increased in direct proportion to the increase in Savings Banks deposits, but that we have recently come to an arrangement with the Presidency Banks under which they will receive a fixed annual payment in place of the percentage on deposits hitherto allowed them.

48. Turning to *Law and Justice*, it is said that (paragraph 17), "owing to the omission "of the charges on account of Provincial Services from the head of *Law and Justice* in "former years, no fair comparison can be made from an earlier date than 1876-77, since "which year there has been an increase of 216,000 *l.*, of which about 48,000 *l.* appears to "be due to the transfer of the departmental refunds." I am unable to follow this figure. The gross expenditure under *Law and Justice* in 1876-77 was 3,131,000 *l.*, the receipts amounted to 609,000 *l.*, and the refunds to 43,000 *l.* The net expenditure, therefore, amounted to (3,131,000 *l.* — 566,000 *l.*) 2,565,000 *l.*, which is only 137,000 *l.* less than the estimated expenditure of 1883-84.

49. In dealing with this item the erroneous conclusions to be drawn from comparing estimates with actuals are specially apparent. The expenditure under *Law and Justice* depends very largely upon the cost of maintaining prisoners in the jails, which again depends on the price of food. In framing a Budget Estimate it is not thought prudent to rely on low prices. This fact, to which allusion is made in the 17th paragraph of the Despatch under reply, coupled with the further fact that the receipts under *Law and Justice* have been taken low in order to provide for any possible falling-off by reason of the recent resolution dealing with jail manufactures, mainly accounts for the high estimate of 1883-84. There has, however, been a real increase in 1883-84 of about 10,000 *l.*, owing to the revision of the establishment of Munsiffs in Bengal. If we look at the Revised Estimate of 1882-83, it would not appear that there has been of late years any very remarkable increase of expenditure under this head. The estimated net expenditure of 1882-83 is 2,611,000 *l.*, which is only 46,000 *l.* in excess of the actual expenditure of 1876-77 (2,565,000 *l.*), 78,000 *l.* less than the expenditure of 1878-79 (2,689,000 *l.*), and 51,000 *l.* less than the expenditure of 1879-80 (2,662,000 *l.* (*see* table in paragraph 150 of Appendix II. to my Minute of 11th August).

50. Some increase of expenditure under this head must be expected as the population grows and the work of the law courts increases; but, as I have pointed out in Appendix II. to my Minute of 11th August (paragraph 150—165), if the receipts from Court Fees, which are credited under *Stamps*, are brought to account, the net cost to the country of administering Law and Justice shows a steady tendency to diminish.

51. Turning to the head of *Police*, it is observed (paragraph 18) that no comparison from an earlier date than 1878-79 can be made. I wish, however, to observe that of the increase of 820,000 *l.* during the last five years, of which mention is made in paragraph 15 of the Despatch under reply, no less than 247,000 *l.* is under the head of *Police*. I have pointed out in Appendix II. to my Minute of 11th August (paragraph 169) that since 1880-81 there has been some real but very legitimate increase of expenditure under this head. By far the greater part of the increase is, however, due to the fact, to which allusion was made in paragraph 66 of the Financial Statement for 1882-83, that, under the terms of the Government Resolution of 30th September 1881, the Provincial Governments have taken over from municipalities the charge on account of *Police*, and have handed over to them

them other items of charge heretofore borne by Provincial revenues. In those cases where the amounts transferred to municipalities are equal to the charges taken over by the Provincial Governments, the increases, of course, are only nominal. But where, as in Bengal, the Provincial Government has taken over charges in excess of those which they have handed over, there has, of course, been a real increase of Police expenditure, which, however, has been incurred for a very legitimate object, namely, to place funds at the disposal of municipalities for education, sanitation, &c.

52. As regards theincrease under *Education*, to which allusion is made in paragraph 19 of the Despatch under reply, I beg to refer to the remarks contained in Appendix II. to my Minute of 11th August (paragraphs 173—177).

53. Passing over the heads of *Marine, Ecclesiastical, Medical*, and *Political*, about which no special remarks are made, but which are fully treated in Appendix II. to my Minute of 11th August (paragraphs 171, 172, 178—189), I come to the head of *Scientific and other Minor Departments*. It is pointed out that under this head there has been a reduction in the expenditure under *Surveys*. There was, indeed, an apparent reduction under this head in the years 1878-79, 1879-80, and 1880-81, and the real expenditure of 1880-81 was abnormally low. But the decrease in these years was mainly nominal, and is due to the fact that Survey charges, amounting respectively to 6,000 *l.*, 8,000 *l.*, and 9,000 *l.*, were treated as war expenditure, the officers having been employed in Afghanistan (*see* paragraph 193 of Appendix II. to my Minute of 11th August). The estimated charge in 1883-84 under *Survey of India* is 145,000 *l.*, as compared with 135,000 *l.* in 1881-82, and 135,000 *l.* in 1882-83 (Revised Estimate). It is, however, very possible that the real expenditure of 1883-84 will be less than the Budget Estimate.

54. Comments are made (paragraph 20) upon the high charges for the work of the Census, especially in Bengal. It is very probable that the Census of 1881-82 was more thoroughly carried out than that of 1871-72. At the same time I think the charges were very high, especially in Bengal. We have been in communication with the Lieutenant Governor of Bengal on this subject. Apart, however, from the Census charges, and making some allowance for the fact that the Budget Estimate of 1883-84 is being compared with the actuals of previous years, there can be no doubt that there has been a real increase of expenditure under *Scientific and other Minor Departments*. The estimated net expenditure in 1883-84 under this head amounts to 426,000 *l.*, as against an average of 312,000 *l.* in the 10 years ending with 1880-81. Some of this is only temporary, as, for instance, the grants made under *Gazetteer and Statistical Memoirs* and *Archæological Department*. The expenditure under *Immigration*, which occurs mainly in Burma, is also experimental, and will very probably not recur in future years. But the main increase under this head is due to the creation of Provincial Agricultural Departments and other reforms undertaken in connection with the recommendations of the Famine Commissioners. In fact, most of the real increase of expenditure during the last three years may be traced to the endeavours which have been made to carry out the recommendations of the Famine Commission (*see* paragraphs 61-62 of my Minute of 11th August 1883).

55. Paragraph 21 of the Despatch under reply deals with the group entitled *Miscellaneous Civil Charges omitting Superannuations*. It does not, however, make any special remarks on this subject. I will, therefore, only say that full explanations as regards all the details will be found in Appendix II. to my Minute of 11th August, (paragraphs 211—245).

56. Paragraph 22 of the Despatch under reply deals with the group entitled *Public Works not classed as Productive* (*omitting Subsidized and Frontier Railways*), which is divided into the following heads:—

(1.) State Railways, Capital Account.

(2.) State Railways, Working and Maintenance.

(3.) Irrigation and Navigation.

(4.) Military Works.

(5.) Civil Buildings, Roads, &c.

57. It is pointed out that the total expenditure under this group since 1871-72 has been as follows:—

	£.
Average 1871-72 to 1873-74 - - - - - -	4,432,000
„ 1874-75 to 1876-77 - - - - - -	5,143,000
„ 1877-78 to 1879-80 - - - - - -	4,304,000
„ 1880-81 to 1882-83 - - - - - -	5,313,000
Budget Estimate, 1883-84 - - - - - - -	5,949,000

58. In connection with this subject I beg to refer to the remarks contained in paragraph 28 of the Despatch to which this Minute constitutes an Appendix. I proceed to examine the question of whether the recent expenditure from the Provincial and Local balances has led to an increase of the establishments of the Public Works Department.

59. There are, of course, no separate establishments engaged on *Public Works not classed as Productive.* The only broad lines of distinction which can be drawn are—

(*a*) Establishments engaged on Railways;

(*b*) Establishments engaged on other Public Works.

In some provinces a distinction can be drawn under (*b*) between—

(1) Establishments engaged on Irrigation.

(2) Establishments engaged on Civil Buildings and Roads.

60. As regards Railways, the following table enables a comparison to be made between the Provincial expenditure under 42—*State Railways* (*Capital Account*), in 1880-81 and 1883-84 :—

Years.	Works.	Establishment.	Total.	Remarks.
	£.	£.	£.	
1880–81 (*a*) - - -	12,512	7,855	20,367	(*a*) (Accounts).
1883–84 (*b*) - - -	384,881	38,048	422,930	(*b*) (Budget Estimate).

61. It will be seen that, although the expenditure on works has increased by no less than 372,369 *l.*, the expenditure on establishments has only increased by 30,193 *l.* It is, in fact, certain that the increased outlay under *State Railways* is unaccompanied by any increase in the permanent scale of the Engineer and Upper Subordinate Establishments, which have not been increased during the last four years, as the following figures will show :—

	Sanctioned Number.*	Actual Number on Railway List.
Engineers - - - - - -	213	211
Upper Subordinate Establishment - -	140	111

62. The extra outlay on State Railways has been met by the temporary transfer of engineers from other lists, by the entertainment of temporary engineers, who can be discharged at one month's notice, and by temporary additions to inferior establishments. The entertainment of temporary establishments does not, of course, involve any responsibility on the State beyond the monthly pay of the salaries of the men so long as they are retained.

63. Turning now to the question of establishments engaged on works other than Railways, the following table shows the facts of the case since 1874-75. It is probably not necessary to go back any further than this :—

Year.	Total Cost.	Cost of Establishment.	Remarks.
	£.	£.	
1874-75 - - - - - -	4,089,000 (*a*)	1,547,048	(*a*) Average of three years.
1875-76 - - - - - -		1,580,236	
1876-77 - - - - - -		1,571,733	
1877-78 - - - - - -	4,049,000 (*a*)	1,651,700	
1878-79 - - - - - -		1,584,835	
1879-80 - - - - - -		1,497,273	
1880-81 - - - - - -	5,050,000 (*a*)	1,277,401	
1881-82 - - - - - -		1,334,436	
1882-83 (*b*) - - - - -		1,464,547	(*b*) Revised Estimate.
1883-84 (*c*) - - - - -	5,446,000	1,464,983	(*c*) Budget Estimate.

64. It

* This number was sanctioned in 1880-81, and is less than the sanction of the preceding year.

64. It will be seen from this table that from 1875-76 to 1880-81 there was a gradual reduction of expenditure on establishments amounting to 302,835 *l.*, and that between 1880-81 and 1883-84 (Budget Estimate) there is an increase of 187,582 *l.* The decrease down to 1880-81 was, of course, mainly due to the large reductions of establishments effected in 1879-80. The increase since 1880-81 is partly due to additional establishments of the lower classes engaged for newly-completed Productive Public Works, and partly to new temporary establishments taken on to supplement the permanent establishments in carrying out additional works. I proceed to examine the causes of increase in greater detail.

65. The increases have taken place in the following Provinces:—

	£.	£.	Increase. £.
North-Western Provinces and Oudh -	230,089 in 1880-81	to 276,004 in 1883-84	45,915
Punjab* - - - - - -	187,890 „ 1881-82	„ 224,959 „ „	37,069
Madras - - - - - -	149,385 „ 1880-81	„ 217,539 „ „	68,154
Burma - - - - - - -	41,730 „ 1880-81	„ 82,740 „ „	41,010

66. The increase in the North-Western Provinces and Oudh is distributed as follows:—

	£.
Building and Roads Branch - - - -	13,925
Irrigation Branch - - - - - -	31,990
TOTAL - - - £.	45,915

67. Before proceeding to examine the details of this question any further, it should be distinctly stated that no increased expenditure can be due to an increase in the number of permanent Engineers and Upper Subordinate establishments for the whole of India. The Government of India exercises complete control over these establishments, and they cannot possibly be increased without its sanction. The total sanctioned numbers since 1879 for each class are as follows;—

	Engineers.	Upper Subordinates.
1879-80 - - - - - -	899	1,036
1880-81 to 1883-84 - - - -	954†	1,059

68. The actual number of men charged in the accounts of the Public Works Department from year to year depends on the number of recruits which enter the Department, and also on the variations in the number of men on deputation, that is to say, on foreign service, with local committees, Native States, and private companies. The actuals for 1879-80 and 1883-84 compare as follows:—

	Engineers.	Upper Subordinates.
1879-80 - - - - - -	970	1,112
1883-84 - - - - - -	981	998

69. It

* The increase in the Punjab commenced from the year 1881-82. In the other provinces it commenced from 1880-81.

† I ought to observe that immediately after the reductions in 1880 a slight increase of establishment took place, as it was found that the reductions had been carried too far. In 1879-80 the sanctioned numbers were as stated above, namely, 899 Engineers and 1,036 Upper Subordinate Establishment. In 1880-81 the figures stood thus: 954 Engineers and 1,053 Upper Subordinate Establishment. The number of Engineers has remained unchanged since 1880-81. The numbers of the Upper Subordinate Establishment were increased in 1881-82 by six, namely, from 1,053 to 1,059, at which figure they have remained ever since.

69. It results, therefore, that any increase of expenditure which may be shown must be due either to the establishments on particular lists being increased by transfers from other lists, or to an increase of establishment within the total sanctioned scale, or to the inclusion of temporary establishments. None of these causes of increase are sufficient to justify any apprehensions.

70. Turning now to the details of the increase of establishment in the *Building and Roads Branch* of the North-Western Provinces and Oudh (*see* para. 66), it is to be observed that the principal items in which increases have occurred are as follows:—

	£.
(1) Chief and Superintending Engineers and Officers	3,516
(2) Engineers and Upper Subordinates	6,366
(3) Lower Subordinates	954
(4) District Engineers	3,120
(5) Accounts	1,512
(6) Collection of Revenue (Ferry Establishment)	578
TOTAL £.	16,046*

71. The first of these items (3,516 *l.*) is due to the appointment in 1882 of a Superintendent of Works as Superintending Engineer, with office establishment, &c., in the 3rd Circle, and also, probably, in some degree to increases in the Chief Engineer's office. The increase under item 2 (6,366 *l.*) is certainly not due to any increase in the permanent establishments, as the numbers for which provision is made in the estimates are within the sanctioned scale. It is probably due partly to the tendency to over-estimate, and partly to the increased numbers in the higher grades, both of which causes are more fully referred to in paragraph 75 in explaining the corresponding excess which has taken place in the Irrigation Branch of the North-Western Provinces and Oudh establishment.

72. Items 3 (954 *l.*) and 4 (3,120 *l.*) are wholly, and item 5 (1,512 *l.*) is partly, due to the separation of Local from Provincial Works under the Local Self-Government policy, in consequence of which the number of lower subordinates has been increased, and a special Account Establishment, for the audit of local accounts in the Examiner's office, has been entertained, and nine temporary District Engineers have been appointed. When the arrangements are completed, this outlay will disappear as Public Works expenditure, and become outlay under Local Committees. In any case, these items do not add to the permanent obligations of Government, and are in the lower class of establishments.

73. Turning now to the increase under *Irrigation Branch* in the North-Western Provinces and Oudh (*see* para. 66), the following statement shows the main items where an increase occurs:—

	£.
(1) Superintending Engineers and their offices	3,655
(2) Engineers	9,389
(3) Upper Subordinates	1,527
(4) Lower Subordinates	2,766
(5) Office Establishment of Executive Engineers	3,777
(6) Medical	399
(7) Travelling Allowances and Contingencies	2,038
(8) Collection of Revenue and Conservancy	10,215
TOTAL £.	33,766†

74. Item 1 (3,655 *l.*) is due, in the first place, to a third Superintending Engineer, with office establishment, &c., having been sanctioned since 1879–80, the reductions then effected having been found to be excessive. In the second place, it is due to the appointment of a Superintendent of Works to take charge of the construction of the Betwa Canal (a Famine Protective Work).

75. The increase under item 2 (9,389 *l.*) is large, but the establishment is within the sanctioned scale. In this, as in all other cases of increase under Engineer establishments, the

* The difference between this figure and the figure of 13,925 *l.* given in paragraph 67 is accounted for in the following way:—(1) That there is a decrease of 520 *l.* for *Office* under the minor head of *Construction*; and (2) that there is an inter-departmental adjustment which brings down the increase by 2,383 *l.*

† The difference (1,775 *l.*) between this figure and that given in paragraph 66, namely, 31,990 *l.*, is due to some small reductions of expenditure under other sub-heads. I need, however, only deal with the items of increase, leaving those where there has been a diminution of expenditure out of account.

the extra expenditure is partly, no doubt, due to the numbers in the higher grades having been increased in 1880 to give better promotion. If a fair flow of promotion is to be given to the Engineer establishment, this is a charge which in future years will be a heavy item in the increased cost of establishment. The increase, however, as shown above, is probably greater than the reality, and is in a great degree due to the tendency to over-estimate in the Budget by estimating for the full scale and making insufficient reductions for absentees.

76. The increase under items 3 (1,527 *l.*), 4 (2,766 *l.*), and 6 (399 *l.*), is wholly, and that under items 5 (3,777 *l.*) and 7 (2,038 *l.*) is partly, due to temporary establishments having been engaged for the Betwa Canal. These establishments are only engaged for the job, and are not pensionable.

77. The increase under item 8 (10,215 *l.*) is due to an increase of revenue and to the increase of irrigation on the Lower Ganges Canal, which has been developing during the last three years.

78. Turning to the case of Madras, the increase of 68,154 *l.*, to which allusion is made in para. 66, is mainly made up of the following items:—

	£.
(1) Chief Engineer's Office and Establishment	1,511
(2) Superintending Engineers	3,185
(3) Executive and Assistant Engineers	24,405
(4) Upper Subordinate Establishment	13,451
(5) Petty Establishments	2,747
(6) Office (under *Construction Establishment*)	8,881
(7) Local Allowances	2,785
(8) Travelling Allowances and Contingencies	5,727
(9) Accounts	2,292
(10) Temporary	18,642
TOTAL £.	83,626*

79. The entries under items 2 and 3 are, without doubt, excessive, and are exaggerated by the practice in Madras of making provision in the Budget for the full sanctioned scale of establishments, and then making an adjusting entry as a deduction for absentees. The establishment for which provision is made in the Budget for these heads is up to, but not in excess of, the sanctioned scale. The actual expenditure will, without doubt, be less than the Budget Estimate.

80. Under item 4, the number of Upper Subordinates for which provision is made in the Budget is 200 against a sanctioned scale of 185. There has been a long correspondence about the increase in this establishment. The Government of Madras has been directed to entertain no new permanent men until the establishment is reduced to the sanctioned scale. The estimate is without doubt in excess of what the actual expenditure will be.

81. We do not possess any information which would give explanations as regards the increases under items 5 to 9, as they are matters which are wholly under the control of the Local Government.

82. The increase under item 10 (18,642 *l.*) is due to temporary establishments entertained, with the sanction of the Government of India, for restoration of tank works.

83. Of the increase in the Punjab, amounting to 37,069 *l.* (*see* para. 66), the greater portion (30,212 *l.*) is in the Irrigation Branch, and is made up of the following items:—

	£.
(1) Superintendent of Works and Office Establishment	2,214
(2) Engineer and Upper Subordinate Establishments	6,318
(3) Lower Subordinate Establishment	825
(4) Petty Establishments	6,279
(5) Travelling Allowances and Contingencies	6,471
(6) Accounts	2,380
(7) Collection of Revenue	4,071
TOTAL £.	28,558

84. The

* The difference (15,472 *l.*) between this figure and that given in paragraph 66, namely, 68,154 *l.*, is due to a decrease of charge under other heads.

84. The increase under item 1 (2,214 *l.*) is due to the appointment of a Superintendent of Works to act as Superintending Engineer to one of the four circles. As in the case of the North-Western Provinces, it was found that the reductions of 1879-80 were excessive.

85. The increase under item 4 (6,279 *l.*) is large, but is probably due to the classification of charge in the Budget of 1883-84 being different to that in the accounts of 1881-82.

86. The increase under item 7 (4,071 *l.*) is due to an increase of revenue.

87. The cost of the establishment in Burma (*see* para. 65), which was 41,730 *l.* in 1880-81, and 60,381 *l.* in 1881-82, is estimated at 82,740 *l.* in 1883-84. Thus there is an increase of 50 per cent. in 1881-82 as compared with 1880-81, and of 100 per cent. in 1883-84 as compared with the same year. The increase in 1883-84 is made up of the following items:—

	£.
(1) Chief and Superintending Engineer	2,462
(2) Engineers and Upper Subordinates	20,337
(3) Lower Subordinates	2,520
(4) Office and Petty Establishments	5,035
(5) Local and Travelling Allowances and Contingencies	12,548
(6) Accounts	1,950
TOTAL, neglecting adjustments £.	44,852

88. The increase under *Chief and Superintending Engineers* is 2,462 *l.* Of this 2,000 *l.* is due to the sanction given in January 1881 for an additional Superintending Engineer. The balance is probably due to an over-estimate.

89. The increase in the *Construction Establishment* [items (2), (3), (4), and (5)], amounting to 16,752 *l.* in 1881-82 and 40,440 *l.* in 1883-84, is due to a large increase in establishments caused by a great extension of public works. The Engineers and Upper Subordinate Establishments have been obtained without increasing the total sanction for India by transferring men from the lists of other local administrations, and the lower classes of establishments have consequently increased in the same proportion.

90. The following table compares the actual establishment in Burma of 1880-81 with that of the Budget of 1883-84 under these two heads:—

	Engineers.	Upper Subordinates.
1880-81	30	20
1883-84	46	55

91. It is probable that the whole of this establishment will not be present during the year, and that the Burma estimate on account of Engineers and Upper Subordinates might be reduced by about 3,300 *l.* Still, there can be no doubt that in this province establishments have been largely increased in order to meet the expansion of the Public Works expenditure provided out of the Provincial balance. This subject has already attracted the attention of the Government in connection with the reduction of expenditure which must ensue next year upon the reduction of the Provincial balance. There can be no doubt that the Engineers and Upper Subordinate Establishments can be utilised on railways and new irrigation works elsewhere when they are not required in Burma. The excess Account Establishments can be similarly utilised. There will, however, probably be a large reduction in the Lower Subordinate, Petty, and Office Establishments, which may necessitate some expenditure in the shape of compensation.

92. The general conclusions to be derived from a consideration of these facts and figures are stated in para. 29 of the Despatch to which this Minute constitutes an Appendix.

93. I now beg to refer to the remarks contained in para. 42 of the Despatch to which this Minute constitutes an Appendix. I proceed to inquire in detail into the question of the liabilities in respect to Public Works which have been taken by by the several Local Governments.

94. Turning,

94. Turning, first, to the expenditure under 42, *State Railways (Capital Account)*, it is to be observed that the amount expended and provided for outlay from Provincial Funds under this head since 1880-81 is as follows:—

	£.
1880-81	20,367
1881-82	126,255
1882-83 (Revised Estimate)	377,874
1882-84 (Budget Estimate)	422,930

95. The whole of the outlay for which provision is made in 1883-84 is in Bengal and the North-Western Provinces and Oudh. In Bengal provision is made for outlay on the construction of the following railways:—

	£.
Sonapore-Diamond Harbour	5,300
Parbattipore-Dinagepore	46,400
Sultanpore-Bogra	18,700
Kaunia-Dhurla	7,860
TOTAL £.	78,260

96. The Sultanpore-Bogra line is not yet sanctioned. The Sonapore-Diamond Harbour Railway is now open throughout its length, and the Parbattipore-Dinagepore Branch will be opened at an early date. Both these railways will be completed this year. The outlay on the Kaunia-Dhurla Railway is chiefly for additional rolling stock. No portion of the outlay given above is recurring outlay, and further expenditure of the above nature can be entirely suspended if necessary. The balance of the outlay provided for in Bengal (about 19,000 *l.*) is chiefly for surveys and a reserve to meet additional survey charges. Possibly, 15,000 *l.* may be looked upon as being the normal outlay in Bengal under this head, and 82,500*l.* as special, which can be at once curtailed.

97. The total sum provided in the North-Western Provinces and Oudh is 325,550 *l.* Of this the following is provided for construction :—

	£.
Furrackabad-Hathras (Cawnpore-Furrackabad Extension)	288,000
Jumna Bridge	11,100
Kashgange-Soron	22,950
TOTAL £.	322,050

98. The unspent balance of the estimates of these railways at the close of this year will be about 60,000 *l.* The balance of the grant (3,500 *l.*) is for outlay on surveys. On the whole, it is not probable that the normal outlay, after the year 1884-85, under this head in the North-Western Provinces will exceed 10,000 *l.*

99. Out of the total sum provided for Non-Productive Railways out of Provincial funds (422,930 *l.*), the normal outlay may be placed at 25,000 *l.*, and consequently the grant for this year may be said to be about 400,000 *l.* above the normal. A reduction of about 340,000 *l.* can be made next year, and this may be increased, if necessary, to 400,000 *l.* in 1885-86.

100. The following amounts have been provided out of Provincial Funds for outlay on *Subsidized Railways*:—

	£.
1882-83 (Revised Estimate)	500
1883-84 (Budget Estimate)	16,300

101. These amounts are to provide land for the Tarkessar Railway and land and interest for the Rohilkhund and Kumaon Railway and the Nilgiri Railway. The greater portion of the charge under this head is not recurring.

102. Turning to *Civil Buildings, Roads and Services*, it is to be observed that the total outlay under this head from Provincial Funds is as under :—

	£.
1880-81	1,744,248
1881-82	2,139,304
1882-83 (Budget Estimate)	2,265,900
1883-84 (Budget Estimate)	2,057,600

103. The outlay for which provision is made in the estimate for 1883-84 is thus classified:—

	£.
Original Works	831,700
Repairs	655,100
Establishment	487,300
Tools and Plant, &c.	30,900
Civil Officers	52,600
TOTAL £.	2,057,600

104. The Original Works outlay is thus sub-divided:—

	£.
Civil Buildings	404,300
Communications	385,400
Miscellaneous Public Improvements	42,000
TOTAL £.	831,700

105. The outlay on Original Works Civil Buildings is thus classified:—

	Number of Items.	Amount.
		£.
Administration	103	140,000
Minor Departments	19	9,500
Law and Justice	64	50,800
Ecclesiastical	7	2,600
Jails	85	80,300
Police	56	28,800
Educational	10	11,300
Medical	14	11,600
Registration	2	1,500
Miscellaneous	21	25,000
Public Works Department	2	1,300
Postal	1	900
Telegraph	3	1,000
Minor Works	-	39,700
TOTAL	387	404,300

106. This outlay may be said to be incurred to supply the wants of the several Departments concerned. It is generally final, and leaves no liability behind it. Considerable progress has been made since the Provincial system was started in supplying the much-needed accommodation demanded by the several Departments, and there is no doubt that, even if the funds were available, the outlay under these heads on Original Works would at an early date show a considerable reduction.

107. The Provincial Governments could reduce their outlay on Civil Buildings without any hardship to a nominal sum. This outlay could be limited without waste next year to the amount actually needed to complete works in progress at the end of this year. It is impossible to say what this amount may be, but possibly an assignment of 50,000 *l.*, or at the outside 100,000 *l.*, next year would be sufficient to guard against any waste or loss on this account. The outlay on Communications and Miscellaneous Public Improvements could doubtless be curtailed, if necessary, next year or in future years, without waste or hardship, to a nominal sum. It will, however, clearly not be good policy to reduce outlay on Communications if this can be avoided, as there is a universal cry throughout the country for more roads, and it is undoubtedly the case that, the more roads that are made in the vicinity of railways, the larger the railway revenue will become. But still if the need arises, the outlay under Communications could be reduced by 200,000 *l.*, or even more, and the outlay on Miscellaneous Public Improvements could be reduced or practically suspended altogether.

108. The

108. The outlay on Repairs is thus classified:—

	£.
Civil Buildings	164,800
Communications	475,900
Miscellaneous Public Improvements	14,400
TOTAL £.	655,100

109. It will not be good policy to enforce much reduction under this head, but it is possible that the outlay in recent years on permanent Civil Buildings may reduce the outlay on Repairs. The reduction in the outlay on Repairs to Communications to any extent would probably lead to much greater outlay hereafter, and no saving should be looked for under this head.

110. Turning to *Irrigation and Navigation*, the outlay provided and incurred from Provincial Funds under this head during the last four years has been as under:—

	£.
1880-81	262,600
1881-82	359,700
1882-83 (Budget Estimate)	442,300
1883-84 (Budget Estimate)	302,700

111. The outlay in Burma during 1883-84 is estimated at 85,800 *l.* This outlay is all practically being incurred on improving inland navigation and the construction and maintenance of embankments. Should the necessity arise, the outlay could probably be reduced to 40,000 *l.* without waste or hardship.

112. The outlay in Bengal in 1883-84 is estimated at 160,000 *l.* Of this, 74,800 *l.* is to be expended on the Orissa Coast Canal. A further grant of 55,000 *l.* next year will complete this project, after which outlay will only be needed for maintenance; the maintenance outlay will probably be covered by the revenue. Compared with this year, a saving of 20,000 *l.* can be effected next year, and about 75,000 *l.* annually in subsequent years.

113. About 20,000 *l.* is being expended this year on the improvement of the Eastern and Circular Canals, against 60,000 *l.* in 1882-83. This outlay will probably soon cease. About 60,000 *l.* is intended to be expended in the working and maintenance of the provincial canals, which are estimated to yield a revenue of 78,000 *l.*

114. In the North-Western Provinces and Oudh the estimated expenditure in 1883-84 is 20,000 *l.* £. 2,700 is intended to be expended on surveys, 3,000 *l.* on additions to the Rohilkhund Canals, which are nearly completed, 600 *l.* on drainage works, and 14,600 *l.* on the Revenue Account of Provincial Canals, which yield a revenue of 11,800 *l.*

115. The Madras figures are as follows:—

	£.
Capital Account	23,450
Revenue Account	11,550
TOTAL £.	35,000

116. The capital outlay is on the Madras water-supply project, which is nearly completed, and on the Buckingham Canal, which has recently been approved of by the Government of India. The Madras outlay may be called normal, and does not call for notice.

117. The general conclusions which may be drawn from a consideration of these facts and figures are stated in para. 43 of the Despatch to which this Minute constitutes an Appendix.

Evelyn Baring.

No. 6.

The Governor General in Council to the Secretary of State for India,
24 August 1883, No. 234.

My Lord,

WE have the honour to enclose a Minute by our honourable colleague, Sir Evelyn Baring, with enclosures, on the subject of the alleged increase in expenditure in the years 1881-82 to 1883-84, both inclusive, The greater part of this Minute was compiled prior to the receipt of your Lordship's Despatch, No. 183 (Financial) of 28th June 1883. We address your Lordship separately in answer to that Despatch.

We have, &c.
Ripon.
D. M. Stewart.
E. Baring.
T. F. Wilson.
C. P. Ilbert.
S. C. Bayley.
T. C. Hope.

Enclosure 1, in No. 6.

MINUTE by the Honourable Sir *Evelyn Baring*, K.C.S.I., 11 August 1883.

1. IN the debate which took place in the House of Commons on 8th May 1883, Mr. Stanhope undertook to "prove conclusively that the present "Viceroy of India was very much the most extravagant of "all those who had held the office." Mr. Stanhope then adduced certain facts and figures from which he argued that "a large increase of expenditure was abundantly made out."

Hansard, Vol. cclxix, page 264.

2. I think I shall be able to show that there is no foundation for Mr. Stanhope's charge of extravagance. One preliminary observation I should wish to make. I certainly should not have initiated any comparison in matters of this sort between the administration of the present and of previous Governments. I only deal with the question because it has been forced upon me.

3. The figures on which Mr. Stanhope based his charge of extravagance are taken from a Return (No. 139) presented to Parliament on 24th April 1883, and entitled "Statement "showing the net Revenue and Expenditure of India for the Year 1881-82, and as esti- "mated for 1882-83 and 1883-84 (in continuation of Parliamentary Paper, No. 214, of "Session 1882)." There is scarcely a figure which appears either on the revenue or expenditure side of the Indian Accounts which can be treated without reference to some other figure. Under nearly every head there are receipts as well as expenditure; although a few heads, such, for instance, as *General Administration* and *Ecclesiastical*, appear only once on the expenditure side of the account. In respect to the others, some are expenditure heads; that is to say, the expenditure is greater than the revenue, and others are revenue heads; that is to say, the revenue is greater than the expenditure. The Return from which Mr. Stanhope took his figures is compiled on the principle of shewing the revenue heads separately from the expenditure heads. The system which Mr. Stanhope adopted was to neglect the revenue heads altogether and to deal only with the expenditure heads. Mr. Stanhope did not, however, take the whole of the expenditure heads into account. He deducted the following items:—(1) Famine, (2) Exchange, (3) Afghan and Egyptian Wars, (4) Frontier Railways, (5) Expenditure on Productive Public Works (Revenue Account). He also left out of account the adjusting entries entitled *Provincial and Local Surplus and Deficits*. He then went on to say that "the "ordinary expenditure arrived at in this way for the 10 years up to 1880-81 averaged "36,500,000 *l.*; in 1881-82 it amounted to a little over 39,000,000 *l.*; and this year, "1883-84, it was estimated at 39,500,000 *l.*, showing an increase of ordinary expenditure "of no less than 3,000,000 *l.* sterling."

4. I may remark that the two figures, viz., 36,500,000 *l.* and 39,500,000 *l.*, are conventional sterling, *i. e.*, 1 *l.* = 10 rupees. The difference would not, therefore, be "3,000,000 *l.* sterling," but three crores of rupees, equal, at the estimated rate of exchange for the year (1 *s.* 7½ *d.*), to 2,437,000 *l.* true sterling.

5. I append

5. I append to this Minute (Appendix I.) a Memorandum written by Mr. Barbour, the Secretary in the Financial Department, in which he deals more especially with one particular fallacy in Mr. Stanhope's method of comparison. This fallacy is of itself quite sufficient to invalidate the whole of his criticisms. Mr. Barbour has dealt so fully with this particular point that I need only allude to it very briefly. The facts are as follows:—Two of the years (1881-82 and 1882-83) during which Mr. Stanhope says there has been a great increase of expenditure, were years of remarkable prosperity. As regards 1883-84 it was, of course, impossible to say, when Mr. Stanhope spoke on 8th May 1883, whether the year would be prosperous or the reverse. On the other hand, during the 10 years ending with 1880-81, upon which Mr. Stanhope's average is based, there were two famines, namely, those in 1873-74 and in 1876-77 to 1878-79, and there was also one war of first-rate dimensions. During the periods of war and famine, expenditure of all sorts was cut down as low as possible. Indeed, during the Afghan War a sum of 670,000 *l.* was taken by the Imperial Government from the Provincial Governments in order to help towards paying the expenses of the war. This money was given back to the Provincial Governments in 1881, and I may say that there is no act with which I have been connected since I have been in India to which I look back with greater pleasure than the repayment of this money. If it had not been repaid, a fatal blow would have been struck at the Provincial system of finance. Yet the fact that this money, which belonged to the Provincial Governments, was repaid to them, and that they were thus allowed to spend their own savings on works of public utility, is one of the facts upon which Mr. Stanhope bases his charge of extravagance.

6. The result of the check that was given to Provincial and Local expenditure during the war was that large balances accumulated. When the pressure of the war was withdrawn, the Government of India was very fortunately in a position to allow the Provincial Governments and Local bodies to spend the money which belonged to them. Hence an apparent increase of expenditure; but this increase, so far from being a matter for regret, is a matter for congratulation. I cannot do better than describe Mr. Stanhope's system in the words used by Mr. Barbour (*see* AppendixI.). "It is misleading," Mr. Barbour says, "to compare the expenditure in years of great material prosperity with that of years in which "all expenditure that could be reduced, postponed, or dispensed with, was summarily cur-"tailed by the express orders of the Government of India. Those who make this com-"parison the basis of a charge of extravagance appear to think that the Government of "India need only engage in a costly war, curtail all expenditure, Imperial, Provincial, "and Local, in order to find the means of carrying it on, and in fact generally starve the "administration, and it will then become entitled to deduct the war expenditure from the "total expenditure of the country, and to claim credit for economy on the ground of the "smallness of the balance. In short, the more the Government of India spends on war "at the expense of the ordinary administration, the greater the credit it deserves for "economical management of the finances."

7. Mr. Stanhope alludes to this subject in the following words: "Part of this increased "expenditure on public works was of course due, as the noble lord the Secretary of State "for War had told the House, to the activity of the Provincial Governments and Local "bodies in the construction out of funds at their disposal of minor local improvements "very necessary for the progress and development of the country. But here, again, there "was great danger. He observed that the Provincial Governments had in April 1882 "accumulated very large balances, owing to restrictions put upon their expenditure in "previous years. These balances were being spent at the rate of one and-a-half million "a year;* and, though this expenditure was perfectly legitimate, and an essential conse-"quence of the contracts entered into with the Provincial Governments, it was evident "that in another year these balances would be exhausted, and they would of necessity "have to curtail their expenditure on this head to an enormous extent, or to devise some "fresh means of raising revenue." If Mr. Stanhope recognises this expenditure as "perfectly "legitimate," I have nothing more to say, except that the admission causes his case to break down. As regards the last remark in the sentence I have quoted from Mr. Stanhope's speech, I have only to observe that, when the balances are exhausted, there will certainly be no increase of taxation, but that expenditure will, of course, be curtailed. *It cannot be too clearly understood that expenditure from the Provincial balances is of a purely temporary nature, and that in the ordinary course of things it would have been largely reduced in* 1884-85. There will not be the least difficulty in curtailing expenditure when the balances are exhausted, for care has been taken not to allow permanent Public Works establishments to grow up, and also not to allow Provincial Governments to undertake works which will cost more than the sums which they will without difficulty be able to provide. The alternative to the policy of allowing the balances to be spent is that, after the Provincial Governments have saved their money, they are not to be allowed to spend it.

* This figure includes Local as well as Provincial Balances. The estimated amount to be spent from the Provincial Balances only is 1,278,000 *l.* in 1882-83 and 1,172,000 *l.* in 1883-84. The estimated amount to be spent from both Provincial and Local Balances is 1,505,000 *l.* in 1882-83 and 1,479,000 *l.* in 1883-84.

it. It must lie idle. Instead of being devoted to the construction of those works which Mr. Stanhope recognises as so "very necessary for the progress and development of the "country," and instead of being applied to the prevention of famine, the money would be hoarded up to be ultimately spent on famine relief, or possibly to be swept into the Imperial treasury on the occurrence of another war. It would, I think, be difficult to conceive a more short-sighted policy than this. So far from being economical, it is the very reverse. It strikes at the root of the Provincial system of finance. Under this system Local Governments would have no inducement whatever to save money. As the savings would not benefit the Local Governments, we may feel pretty confident that there would be very little saving at all. Wasteful expenditure would be incurred, so that the whole of the income of the year might be spent within the year.

8. It appears to me that the argument I have stated above is so conclusive an answer to Mr. Stanhope's criticisms, and shows so clearly the fallacious nature of the method of comparison which he employed, that I might almost stop here. I have, however, several other remarks to make as regards Mr. Stanhope's method.

9. It is in a great many cases a complete fallacy to take the average expenditure of any 10 years, and to argue, because some subsequent year shows an increase of expenditure over the average, that, therefore, the Government in power during the year subsequent to the decade is responsible for this increase.

10. The expenditure under *Superannuations* is a striking instance in point. The net expenditure under this head went on steadily increasing from the first to the last year of the decade on which the average is struck, as the figures in the margin will show. In 1871-72 the net expenditure was 768,000 *l.* In 1880–81 it was 1,834,000 *l.*, the increase in the course of 10 years having been no less than 1,066,000 *l.* The average expenditure of the 10 years was about 1,215,000 *l.* In 1881-82 the expenditure was 1,826,000 *l.* Under Mr. Stanhope's method of comparison, the Government of the year 1881-82 is made responsible for an increase of expenditure of (1,826,000*l.* — 1,215,000 *l.*) 611,000 *l.*; whereas, as a matter of fact, the expenditure in 1881-82 was slightly (8,000 *l.*) less than that in the preceding year. The real growth of the superannuation charges has been a good deal less than would appear from these figures (*see* Appendix II., paragraphs 223–237); but even if this were not the case, it would be absurd to fix the responsibility for the present charges upon the Government of the day. On the contrary, the Government for the time being can never be in any considerable degree responsible for the current charge under this head. It has to bear the consequences of any pension rules which may have been framed by its predecessors; and so again, if it makes any alterations in those rules, the full consequences will not be immediately felt; they will be felt by subsequent Governments.

	Net Expenditure.
	£.
1871-72	8,000
1872-73	987,000
1873-74	821,000
1874-75	1,077,000
1875-76	1,188,000
1876-77	1,189,000
1877-78	1,283,000
1878-79	1,329,000
1879-80	1,672,000
1880-81	1,834,000
Total - - - £.	12,148,000
Average of 10 Years	1,214,800

11. Take, again, such a case as *Marine* (*see* Appendix II., paragraphs 171–172). There is an increase of expenditure in 1881-82 and in 1882-83 as compared with the expenditure of 1880-81. This is almost entirely due to the construction of a new troop-ship costing about 129,000 *l.* I do not doubt that the ship was very necessary, but the responsibility for incurring the additional expenditure rests, not with the Government in power during the time the ship was being built, but with the Government that ordered the ship to be built. As a matter of fact, it was decided to order the ship in November 1878.

12. Another very considerable source of error in the method adopted by Mr. Stanhope is that the figures for the years 1882–83 and 1883–84 are only estimates, whereas those for all previous years are taken from the accounts. The estimates both of revenue and expenditure are always framed with great caution, and the accounts almost always show a better result than the estimates. This argument applies, of course, more especially to the year 1883-84, for which we at present only have a Budget Estimate. But it also applies, although in a less degree, to the year 1882–83, for which the figures quoted by Mr. Stanhope are those of the Revised Estimate.

13. Compiled as the estimates are, it is a mistake to suppose, because the estimate under any particular head shows an increase of expenditure as compared with the accounts of some former year, that there will necessarily be a real increase amounting to the difference between the two sums. I will give two illustrations to show the correctness of these remarks. Take, first, the case of *Forest.** The Budget Estimate for 1881-82 was—revenue, 770,000 *l.*; expenditure, 571,000 *l.*; leaving a net revenue of 199,000 *l.* The Revised Estimate was—revenue, 820,000 *l.*; expenditure, 600,000 *l.*; leaving a net revenue of 220,000 *l.* The Accounts showed the following result—revenue, 874,000 *l.*; expenditure,

* In these figures *Refunds* have not been deducted from the receipts.

expenditure, 558,000 *l.*; net revenue, 316,000 *l.* The net revenue according to the Accounts was, therefore, 96,000 *l.* better than the Revised Estimate, and 117,000 *l.* better than the Budget Estimate. Take, again, the case of *Irrigation and Navigation*.* The original Budget Estimate in 1881–82 was—revenue, 903,000 *l.*; expenditure, 1,385,000 *l.*; showing a net expenditure of 482,000 *l.* The Revised Estimate was—revenue, 923,000 *l.*; expenditure, 1,382,000 *l.*; showing a net expenditure of 459,000 *l.* The accounts showed the following result—revenue, 988,000 *l.*; expenditure, 1,296,000 *l.*; net expenditure, 308,000 *l.* The net expenditure was, therefore, 151,000 *l.* less than the Revised Estimate, and 174,000 *l.* less than the Budget Estimate.

14. Turning to the details of the Return from which Mr. Stanhope took his figures, it is to be observed that, before any charge of extravagance can be made out, many points have to be considered which must be necessarily left out of account in such sweeping generalisations as those made by Mr. Stanhope. I will go through some of the expenditure heads, with which Mr. Stanhope alone dealt, in order to show the correctness of this remark.

15. Take, first, the case of *Mint* (*see* Appendix II., paragraphs 101–102). The net revenue or expenditure under this head fluctuates very greatly. The average net revenue for the 10 years ending with 1880–81 was 64,000 *l.* The net expenditure in 1881–82 was 17,000 *l.* The estimated net revenue in 1882–83 is 64,000 *l.* This relatively large revenue was, however, no cause for congratulation, but the reverse. It was due to the fact that the Secretary of State, during the early months of the year 1882–83, placed very few bills on the market, and that, therefore, a large amount of silver came out to India and was coined at the Mints. The Government did not in reality gain anything. What was gained under *Mint* receipts was more than lost in the low rate obtained for bills later in the year. The revenue and expenditure under this head varies from causes which are to a very great extent beyond the control of Government. No credit for economy can be taken if the Mint yields a net revenue, neither can any charge of extravagance lie if it shows a net expenditure.

16. Take, again, the case of the *Post Office* (see Appendix II., paragraphs 75–91).

—	Net Expenditure.
	£.
Average 1871–72 to 1880–81	123,000
1881–82 - - - -	198,000
1882–83 (Revised Estimate)	207,000
1883–84 (Budget Estimate)	212,000

There is an apparent increase of expenditure during the years 1881–82, 1882–83, and 1883–84, as compared with the average of the 10 years ending with 1880–81. This is mainly due to three causes. In the first place, the charges for the "District Dâks," amounting to about 100,000 *l.* a year, are debited to the *Post Office*, but the receipts, which cover the charges, appear under *Provincial Rates*. As, however, Mr. Stanhope has only dealt with the expenditure and not with the revenue heads, the increase of expenditure is alone taken into account in his comparison. The increase of receipts is left altogether out of account. Secondly, the Post Office receipts have fallen off in recent years by reason of the restricted operations of the bullock trains, which used to go all over the country. Their place has now, to a great extent, been taken by the Railways; but the receipts under *Railways*, which counterbalance the loss of receipts under *Post Office*, are left out of account by Mr. Stanhope. Thirdly, several changes have been made during the last three years, in the way of reducing the charges to the public, involving in all a loss of about 23,000 *l.* in 1881–82, 34,000 *l.* in 1882–83 (Revised Estimate), and 31,000 *l.* in 1883–84 (Budget Estimate). It is a very fortunate thing that the Government has been able to make these concessions to the public, but of course the result of making them is to show a higher rate of net expenditure. A reduction of charge is, however, an entirely different thing from a real increase of expenditure.

17. In the case of *Telegraph* (*see* Appendix II., paragraphs 92—100) many points have to be considered before any accurate conclusions can be drawn from the figures. In the first place, capital expenditure was cut down as low as possible during the Afghan War, whilst the receipts of the Telegraph Department were largely increased by the number of official telegrams which were sent. The increase was, of course, only nominal. Expenditure to a corresponding amount appeared under the head of *Army*. But Mr. Stanhope excludes war expenditure from his calculation. The result is that he takes credit for the *Telegraph* receipts during the war, but takes no account of the corresponding expenditure under *Army*. His 10 years' average is thus made to appear in a more favourable light than the real facts of the case warrant. Again, considerable reductions have during the last three years been effected in the charges made to the public. A reduction of charge is, as I have already pointed out, an entirely different thing from an increase of expenditure

—	Net Expenditure.†
	£.
Average 1872–73 to 1880–81	100,000
1881–82 - - - -	67,000
1882–83 (Revised Estimate)	135,000
1883–84 (Budget Estimate)	185,000

* These are the figures both for Productive Works and for works not classed as Productive.
† In these figures *Refunds* have not been deducted from the receipts.

expenditure. Lastly, we have to consider why there is an estimated increase of net expenditure in 1882-83 and 1883-84. When the figures come to be examined in detail, it will be found that the increase is wholly due to a high rate of capital expenditure. The Revenue and Expenditure Account proper of 1881–82, 1882–83, and 1883–84, compares very favourably with that of previous years, for, as I have already mentioned, the high receipts of 1878–79, 1879-80, and 1880–81 were to a great extent only nominal, being mainly due to the war. So far from being a matter for regret, it is a matter for congratulation, that, concurrently with a large reduction of taxation, the Government has been able to devote considerable sums to the construction of Telegraphs. I may mention that the high estimate of capital expenditure in 1883–84 is due to relatively great activity in the construction of Railways. A telegraph is, of course, a necessary adjunct to a railway. It is, however, improbable that all this money will be spent. Any comparison of Telegraph expenditure in different years, which does not take account of all these circumstances, must of necessity be fallacious.

	Net Capital Expenditure.	Net Revenue and Expenditure proper, + Revenue; – Expenditure.
	£	£.
1872-73*	128,000	– 105,000
1873-74	91,000	— 70,000
1874-75	94,000	— 52,000
1875-76	125,000	— 57,000
1876-77	131,000	— 1,000
1877-78	68,000	— 35,000
1878-79	58,000	+ 14,000
1879-80	52,000	+107,000
1880-81	98,000	+139,000
1881-82	103,000	+ 36,000
1882-83 (Revised Estimate)	162,000	+ 27,000
1883-84 (Budget Estimate)	260,000	+ 75,000

18. The case of *Allowances, &c., under Treaties,* affords another remarkable instance of the fallacy of Mr. Stanhope's method of comparison. The item which figures under this title in the Parliamentary Return from which Mr. Stanhope quoted is made up of two heads of account, viz., *Assignments and Compensations* (*see* Comptroller General's Explanatory Note, Appendix III.) and *Territorial and Political Pensions* (*see* Appendix II., paragraphs 217-220). The figures are as follows:—

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Territorial and Political Pensions.	Assignments and Compensations.	TOTAL.	REMARKS.
	£.	£.	£.	
1871-72	881	844	1,725	
1872-73	863	886	1,749	
1873-74	989	868	1,857	
1874-75	850	889	1,739	
1875-76	819	895	1,714	
1876-77	802	870	1,672	
1877-78	821	826	1,647	
1878-79 (*a*)	803	1,023	1,826	(*a*) Northern Customs line abolished.
1879-80	699	1,116	1,815	
1880-81	684	1,215	1,899	
TOTAL £.	8,211	9,432	17,643	
Average	821	943	1,764	
1881-82	682	1,194	1,876	
1882-83 (Revised Estimate)	688	1,242	1,930	
1883-84 (Budget Estimate)	743	1,246	1,989	

19. It will be seen that subsequent to 1877–78 there was a large increase of expenditure under *Assignments and Compensations.* The increase was mainly nominal. It was due to the payments made to Native Princes when the Northern Customs Line was abolished, a reform which conferred very great benefits on the country. The increase of expenditure under *Assignments and Compensations* was more than counterbalanced by an increase of revenue under *Salt.* Under Mr. Stanhope's system of looking only to the expenditure heads, and excluding the revenue heads from his calculations, the increase of expenditure under *Assignments and Compensations* is taken into account, but no allowance is made for the increase of revenue under *Salt.*

20. Under *Territorial and Political Pensions* there is no increase of expenditure in 1881–82, and only a slight estimated increase (4,000 *l.*) in 1882–83, as compared with the expenditure of 1880-81. The anticipated increase in 1883–84 occurs in England, and is due to special causes, which will not recur (*see* Appendix II., paragraph 220).

21. There

* No separate capital account was kept prior to 1872-73.

21. There has been a real increase of expenditure under *Scientific and other Minor Departments* (*see* Appendix II., paragraphs 190 (*a*)—210), to which I shall presently recur; but the high expenditure in 1881–82 is mainly due to the Census charges, which amounted to 30,000 *l.* in 1880–81, 159,000 *l.* in 1881–82, and 30,000 *l.* in 1882–83 (Revised Estimate). This is a charge which, of course, only recurs once every 10 years.

—	Net Expenditure.*
	£.
Average 1871–72 to 1880–81	312,000
1881–82	440,000
1882–83 (Revised Estimate)	382,000
1883–84 (Budget Estimate)	426,000

22. *Law and Justice* (*see* Appendix II., paragraphs 150-165) affords another instance of the erroneous conclusions which may be drawn, both from looking only to the expenditure, to the exclusion of the revenue heads of account, and from not being intimately acquainted with the connection which exists between the different heads of account. Any one looking at the accounts will find that in 1881–82 the gross expenditure under this head was 3,232,741 *l.*, and that the receipts under the analogous head on the revenue side of the account were 677,454 *l.*, from which he might very possibly infer that the administration of law and justice in 1881–82 cost the country the difference between these two sums, viz., 2,555,287 *l.* Any such conclusion would be erroneous. The cost of the law courts is mainly paid by suitors in the form of Court Fees, which are necessarily credited on the revenue side of the account under the head of *Stamps*. Including the revenue from Court Fees, the net cost of *Law and Justice* during 1881–82 was only 360,000 *l.* (*see* Appendix II., paragraph 150).

23. Under Mr. Stanhope's system of comparison full allowance is made for the increase of expenditure under *Law and Justice*, but the increase of revenue under *Stamps* is not taken into account. The real cost to the country of the administration of the law, so far from increasing, has been steadily diminishing, as the figures in the margin will show (*see* Appendix II., paragraph 150). The expenditure under this head is largely influenced by the cost of maintaining prisoners in the jails, which again depends largely on the price of food. The estimated increase in 1883–84, as compared with 1882–83 and 1881–82, is mainly due to the fact that, in framing a Budget Estimate, it is not thought prudent to rely on low prices. It is, however, very probable that the actual expenditure will fall considerably short of the estimate.

—	Net Expenditure (after deducting receipts on account of Court Fees).
	£.
1871–72	755,000
1872–73	622,000
1873–74	631,000
1874–75	675,000
1875–76	633,000
1876–77	674,000
1877–78	622,000
1878–79	639,000
1879–80	616,000
1880–81	474,000
1881–82	360,000
1882–83 (Revised Estimate)	388,000
1883–84 (Budget Estimate)	459,000

24. I now turn to the head of *Police* (*see* Appendix II., paragraphs 166-170). There has been an increase of expenditure under this head, but, before any charge of extravagance can be based on the fact of this increase, the causes of the increase must be known. By far the greater portion of the increase is due to the fact that, when the quinquennial contracts were renewed at the end of 1881-82, the Provincial Governments took over the Police charges heretofore borne by municipalities, and which, therefore, did not formerly appear in the Accounts and Estimates of the Government, and handed over to them other branches of expenditure in their place. The reform was a very desirable one, and was universally approved. In the majority of instances, that is to say, where transfers of expenditure of similar amounts have taken place from Provincial to Municipal heads, the increase is, of course, only nominal. But in some cases the Provincial Governments, in order to relieve municipalities, took over more expenditure on account of Police than they handed over to municipalities under other heads. Thus, the Government of Bengal took over an expenditure of 44,000 *l.* on account of Police, and only handed over to municipalities an expenditure of 10,000 *l.* on account of Dispensaries and Hospitals, thus increasing Provincial expenditure and relieving the municipalities to the extent of 34,000 *l.* a year (*see* paragraphs 65-67 of Financial Statement for 1882-83). To this extent, therefore, the municipalities in Bengal have had funds provided to them from Provincial revenues in order to provide for education, sanitation, &c. This is a very different process from an extravagant increase of establishments or salaries.

—	Net Expenditure.*
	£.
Average 1871–72 to 1880–81	2,232,000
1881–82	2,306,000
1882–83 (Revised Estimate)	2,404,000
1883–84 (Budget Estimate)	2,482,000

25. There has been an increase of expenditure under *Education* (*see* Appendix II., paragraphs 173-177). Sir John Strachey, speaking of the increase of expenditure under this head between 1869–70 and 1880-81, which he estimated at 82,555 *l.*,† said‡—"It is to be regretted that the increase has not "been larger." It would indeed be difficult to assign a limit to the amount of money which might usefully be devoted to education in India. From 1871–72 to 1875–76 the net expenditure on education steadily increased. In 1871-72 it was 693,000 *l.*; in 1875–76 it was 873,000 *l.*; the increase

—	Net Expenditure.*
	£.
Average 1871–72 to 1880–81	809,000
1881–82	890,000
1882–83 (Revised Estimate)	934,000
1883–84 (Budget Estimate)	995,000

* *Refunds* have not been deducted.

† The correct figure is 71,000 *l.* When Sir John Strachey wrote, the Accounts for 1880–81 had not yet been made up; his figures were, therefore, those of the Revised Estimate.

‡ *Finances and Public Works of India*, p. 42.

increase in four years was, therefore, 180,000 *l.* Then came the famine and the Afghan War, with the result that the net expenditure fell in 1876-77 to 854,000 *l.*, in 1877-78 to 850,000 *l.*, in 1878-79 to 831,000 *l.*, and in 1879-80 to 827,000 *l.* In 1880-81 the Government was able to devote 998,000 *l.* to education, but, owing to the rise in receipts, which amounted to 170,000 *l.* as compared to 140,000 *l.* in 1879-80, the net expenditure was only 828,000 *l.*

26. Almost the whole of the expenditure on education is Provincial, and it is satisfactory to see that since the financial pressure due to the war was removed, the Local Governments have been able to devote larger sums to this very necessary object. In 1881-82 the net expenditure was 890,000 *l.* In 1882-83 the estimated net expenditure is 934,000 *l.*, and in 1883-84, 995,000 *l.*

27. There has also been an increase of expenditure under *Medical* (*see* Appendix II., paragraphs 180-182). The expenditure under this head shows a steady tendency to grow as the country advances. The increase is not to be regretted. Sir John Strachey (*The Finances and Public Works of India*, p. 42) says, speaking of the growth of expenditure under this head,—"This signifies a "greater number of hospitals and dispensaries, and "is a matter for congratulation." I agree with Sir John Strachey in thinking that a moderate growth of expenditure under this head is no cause for regret. Moreover, in some cases the increase is only nominal (*see* Appendix II., paragraph 182).

—	Net Expenditure. *
	£.
Average 1871-72 to 1880-81	605,000
1881-82 - - - -	643,000
1882-83 (Revised Estimate)	650,000
1883-84 (Budget Estimate)	674,000

28. There is also an increase of expenditure under *Political* (*see* Appendix II., paragraphs 183-190). The increase is due to circumstances arising either out of the Afghan War or out of our actual relations with Afghanistan. The following items testify to the accuracy of this statement:—

—	Expenditure.
	£.
Average from 1871-72 to 1880-81	429,000
1881-82 - - - - -	649,000
1882-83 (Revised Estimate) - -	511,000
1883-84 (Budget Estimate) - -	442,000

—	Increase of 1881-82 over 1880-81.
	£.
Allowances to the ex-Amir of Afghanistan - -	4,335
Subsidy to the Amir of Afghanistan - - -	160,000
Subsidy to the Governor of Kandahar - - -	10,000
Allowances to Kabul refugees - - - -	12,601
TOTAL - - - £.	186,936

29. In 1882-83 the charge under this head is estimated at 511,000 *l.*, which, although 82,000 *l.* in excess of the average for the 10 years ending with 1880-81 (429,000 *l.*), is 138,000 *l.* less than the expenditure of 1881-82 (649,000 *l.*), and 20,000 *l.* less than that of 1880-81 (531,000 *l.*). The estimated expenditure of 1883-84 is only 442,000 *l.*, but this estimate will probably be exceeded, as since it was framed a subsidy of 120,000 *l.* a year has been granted to the Amir of Afghanistan. The charges for 1880-81 and 1881-82 were exceptionally high, and there can be no doubt that one of the consequences of the Afghan War will be to permanently increase the expenditure under *Political* as compared with the expenditure prior to the war. This increase is much to be regretted, but the present Government is in no way responsible for it.

30. The case of *Interest on Debt, exclusive of that for Productive Public Works* (*see* Appendix II., paragraphs 2-8), affords another illustration of the care with which it is necessary to deal with these figures, and of the fallacious results which may be obtained by striking an average of the decade ending with 1880-81, and comparing it with any single subsequent year. This item in the Parliamentary Return from which Mr. Stanhope quoted is made up of two heads of account, viz., *Interest on Ordinary Debt*, and *Interest on Deosipts*. According to the accounts the average expenditure under *Interest on Ordinary Debt* for the 10 years ending with 188081 was 4,826,000 *l.* The expenditure in 1881-82 was 4,024,000 *l.* The estimated expenditure of 1882-83 is 3,988,000 *l.*, and that of 1883-84, 3,824,000 *l.* During the last two years there has, indeed, been a real reduction of expenditure under this head, because about 2,000,000 *l.* has been applied to the reduction of debt. But any comparison of the expenditure of 1881-82 and subsequent years with the average expenditure of the 10 previous years would be entirely fallacious.

If

* *Refunds* have not been deducted.

If anyone will run his eye along the figures given in Appendix III. to the last Financial Statement (*see* also Appendix II. attached to this Minute, paragraph 3), he will see that up to and including the year 1875-76 the charge under this head always exceeded 5,000,000 *l.* In 1876-77 it suddenly dropped to about 4,500,000 *l.* The reason is that, commencing from the year 1876-77, the interest on debt incurred for Productive Public Works was shown separately from the interest on ordinary debt, as may be seen by reference to the group entered in the accounts and estimates which is entitled *Expenditure on Productive Public Works, Revenue Account.* The result, therefore, in this case, would be to compare together two sets of figures which are not comparable, as they do not deal with the same class of facts. In this case an apparent advantage would lie with the years 1881-82, 1882-83, and 1883-84, but a considerable portion of this advantage is only apparent. It is not real. In order to institute a valid comparison, it would be necessary either to strike an average on the five years commencing with 1876-77 and ending with 1880-81, or to exclude from the years prior to 1876-77 the interest on debt incurred for productive public works. To admit of a valid comparison being made, the table in paragraph 2 of Appendix II. has had only the interest on ordinary debt exhibited in it.

31. The item *Interest on Deposits* is mainly on account of interest paid to depositors in the Savings Banks. An increase of charge under this head is no matter for regret. It has always been the policy of the Government to give every legitimate encouragement to Savings Banks. The sums lent to Government by depositors in the Savings Banks serve to diminish the amount which is annually borrowed for Productive Public Works. Moreover, the apparent increase in 1881-82 under this head is largely due to a book transaction, which is explained in Appendix II., paragraph 6.

32. Turning now to the expenditure under *Army* (*see* Appendix II., paragraphs 324, 325), it is to be observed that in making his comparison Mr. Stanhope deducted the expenditure which figures in the Accounts and Estimates as due to the Afghan and Egyptian wars. In the case of the Afghan War it was, however, impossible to make any very accurate separation between war and ordinary expenditure. It cannot be doubted that in the ordinary military expenditure from 1878-79 to 1881-82, both inclusive, a good deal of war expenditure was included. Allusion was made to this point in paragraph 85 of the Financial Statement for 1882-83. The estimated amount of gross war expenditure included in the ordinary military expenditure of 1881-82 is estimated by the Comptroller General at no less than 660,000 *l.* (*see* Appropriation Audit Report for 1881-82, Section K). This of course vitiates Mr. Stanhope's comparison.

33. The increase of expenditure under *Public Works* (*Ordinary*), *Irrigation*, and *Railways* (*see* Appendix II., paragraphs 269-299 and 302-323), is almost entirely due to the fact to which I have already alluded (paragraphs 5-8), that the Provincial and Local balances, which accumulated during the Afghan War, are now being spent.

34. A considerable portion of the money spent under *Subsidised Railways* (*see* Appendix II., paragraphs 292-299) is really only an advance, and will eventually be repaid to Government. A portion of the money spent under *Southern Mahratta Railway* will also probably come back to Government.

	Net Expenditure.
	£.
Subsidised Railways.	
1881-82 - - - -	15,237
1882-83 (Revised Estimate) - -	67,000
1883-84 (Budget Estimate) - -	89,900
Southern Mahratta Railway.	
1882-83 (Revised Estimate) - -	33,100
1883-84 (Budget Estimate) - -	84,800

35. I could mention several other points of detail which should be taken into consideration before any general conclusions can be drawn from the Parliamentary Return from which Mr. Stanhope quoted; but I trust I have said enough to show that the whole question is far too complicated to admit of such sweeping generalisations as those adopted by Mr. Stanhope.

36. I have said that one main defect, as it appears to me, in Mr. Stanhope's method of comparison is, that he deals only with the expenditure heads and leaves the revenue heads out of account. I will endeavour to show to what extent the revenue has increased since 1871-72. In making this calculation I will adopt the same arrangement of figures as that which is adopted in the Parliamentary Return from which Mr. Stanhope quotes. Before stating the facts of the case, however, I wish to point out that, in comparing the net revenue of any one year with that of the 10 previous years, we are met—as in the case of the expenditure heads—with numerous sources of error. To a few of these I will allude.

37. Mr. Reid, who seconded Mr. Stanhope's Resolution, said that "the Land Revenue "had only increased from 20,520,000 *l.* in 1872 to 21,112,000 *l.* in 1881." I do not know from what source Mr. Reid drew his figures for 1872. The gross Land Revenue in 1871-72 was 20,531,719 *l.* But his figure for 1880 tallies with the figure given in Appendix III. to the Financial Statement of 1883-84 under *Principal Heads of Revenue*, the precise figure for 1880-81 being 21,112,995 *l.* Mr. Reid has entirely lost sight of one point. Up to and including the year 1877-78 the Land Revenue was given in one figure only. From the commencement of the year 1878-79 it was split up into two figures (*see* Appendix II., paragraph 11) with a view, I believe, to meet opinions which had been expressed in the House of Commons that the Accounts and Estimates should show clearly the result of capital expenditure on Productive Public Works. The *Portion of Land Revenue due to Irriga-*

tion was, therefore, shown separately, and, if Mr. Reid had cast his eye down the page to the group entitled *Revenue from Productive Public Works*, he would have found that Land Revenue to the extent of 797,319 *l.* was entered separately in the accounts of the year 1880-81. The total Land Revenue in 1880-81 was, therefore, not 21,112,995 *l.*, as stated by Mr. Reid, but (21,112,995 *l.* + 797,319 *l.*) 21,910,314 *l.*—an amount greater than the Land Revenue of 1871-72 (20,531,719 *l.*) by 1,378,595 *l.* Any calculation which does not take account of this change of procedure must, of necessity, be faulty. In the Parliamentary Return from which Mr. Stanhope quotes, ordinary Land Revenue is alone included amongst the revenue heads. The *Portion of Land Revenue due to Irrigation* is included amongst the expenditure heads as a receipt under *Productive Public Works*.

38. Again, it was explained in the Financial Statement for 1882-83 (paragraphs 60–63), that formerly patwaris and kanungoes in Oudh were paid by the landlords. In March 1882 it was resolved that for the future they should be paid by the State. This transaction was really tantamount to a remission of taxation, which took the form of increased State expenditure under *Charges in respect of collection of Land Revenue*. The amount of taxation thus remitted was 75,000 *l.* a year. A reduction of taxation is, of course, an entirely different thing from a real increase of expenditure.

38 (*a*). Also it is to be borne in mind that so many changes have taken place during the last 13 years in the fiscal laws relating to *Provincial Rates*, *Assessed Taxes*, *Customs*, and *Salt*, as to render any comparison of the net revenue under each of these separate heads of little value.

39. In my opinion, therefore, Mr. Stanhope's system of comparison is essentially faulty, and I should never have thought of adopting it on my own initiative. I merely adopt it now in order to show the results which will be obtained under the method which commends itself to Mr. Stanhope.

40. With these preliminary remarks I proceed to show how the revenue heads of the years 1881–82, 1882–83 (Revised Estimate), and 1883-84 (Budget Estimate), compare with the average of the decade ending with 1880–81. The figures in the subjoined table show net receipts after deduction of payments in realisation of Revenue and Refunds.

000's *omitted*. £. 1. = *Rs.* 10.

	Average from 1871–72 to 1880–81.	1881–82.	1882–83 (Revised Estimate).	1883–84 (Budget Estimate).
	£.	£.	£.	£.
Land Revenue	18,145	18,896	*18,475	*18,533
Tributes	722	707	710	701
Forests	198	314	333	256
Excise	2,431	3,311	3,480	3,509
Assessed Taxes	359	495	490	490
Provincial Rates	2,095	2,829	*2,610	*2,631
Customs	2,295	2,093	1,054	1,074
Salt	5,985	6,344	5,579	5,595
Opium	7,052	7,303	7,217	7,034
Stamps	2,737	3,233	3,254	3,288
Registration	73	104	99	92
TOTAL £.	42,092	46,629	43,301	43,203

* In 1882–83 and 1883–84 the *Land Revenue* and *Provincial* Rates figures do not tally with the figures in the Parliamentary Return from which Mr. Stanhope quoted, because in that return the refund figures adopted are not those of the Civil Estimates.

41. These figures, faulty though in many respects they be, are very remarkable. They show a net revenue in 1881-82 of 46,629,000 *l.*, being 4,537,000 *l.* in excess of the average net revenue of the 10 years ending with 1880-81 (42,092,000 *l.*). In 1882-83 and 1883-84 there is an estimated fall of 3,328,000 *l.* and of 3,426,000 *l.*, respectively, compared with 1881–82. This is, of course, due to the remission of taxation, amounting to about 2,824,000 *l.*, which took place in March 1882, and also due to a diminishing Opium Revenue. But, in spite of these considerations, the estimated net revenue of 1882-83 (43,301,000 *l.*) is 1,209,000 *l.*, and that of 1883-84 (43,203,000 *l.*) is 1,111,000 *l.*, above the average of the 10 years ending with 1880-81 (42,092,000 *l.*).

42. These figures, however, do not nearly represent the whole of the facts of the case. Mr. Stanhope, for reasons which appear to me to be inadequate, left out of account the revenue

revenue and expenditure on *Productive Public Works (Revenue Account)*. The figures on this account are as follows (*see* Comptroller General's Statement, Appendix III.):-

000's *omitted*. £. 1. = *Rs.* 10.

YEAR.	Net Revenue + or Expenditure —.	REMARKS.
	£.	
1871-72	— 1,606	
1872-73	— 2,226	
1873-74	— 1,602	
1874-75	— 1,436	
1875-76	— 1,295	
1876-77	— 689	
1877-78	+ 300	
1878-79 (*a*)	— 1,254	(*a*) Before 1878-79 the *Portion of Land Revenue due to Irrigation* was not credited to Productive Public Works (Revenue Account), and the separation of this revenue from other Land Revenue in 1878-79 was very imperfect.
1879-80 (*b*)	— 277	(*b*) East Indian Railway taken over by the State.
1880-81	+ 123	
TOTAL £.	— 9,962	
Average	— 996	
1881-82	+ (*e*) 1,133	(*e*) The Revenue of 1881-82 was abnormally high (*see* Appendix II, para. 257). The actuals of 1882-83 will certainly be in excess of the Revised Estimate, and there is every probability of the actuals of 1883-84 being in excess of the Budget Estimate.
1882-83 (*c*)	+ (*e*) 452	(*c*) Revised Estimate.
1883-84 (*d*)	+ (*e*) 520	(*d*) Budget Estimate.

43. If the net revenue or expenditure on *Productive Public Works (Revenue Account)* be included in the comparison, the result would be to diminish the average net revenue for the 10 years ending with 1880-81 from 42,092,000 *l.* to 41,096,000 *l.*, whilst the net revenue of 1881-82 would be increased from 46,629,000 *l.* to 47,762,000 *l.*, the estimated net revenue of 1882-83 from 43,301,000 *l.* to 43,753,000 *l.*, and the estimated net revenue of 1883-84 from 43,203,000 *l.* to 43,723,000 *l.* These figures are quite sufficient to explain why a large reduction of taxation was possible in 1882-83. The net revenue of 1881-82, including that from Productive Public Works (47,762,000 *l.*), was 6,666,000 *l.* in excess of the average net revenue of the 10 years ending with 1880 81 (41,096,000 *l.*); and, in spite of the reduction of taxation, the estimated net revenue of 1882-83 (43,753,000 *l.*) is 2,657,000 *l.*, and that of 1883-84 (43,723,000 *l.*) 2,627,000 *l.*, in excess of the average of the 10 years ending with 1880-81 (41,096,000 *l.*)

44. Indeed, a mere statement of what has been done within the last few years, in the way of the remission of taxation, is in itself almost a sufficient answer to Mr. Stanhope's accusations. It would have been difficult to have abandoned the revenue involved in the following fiscal reforms, if the financial position of India had been so critical as Mr. Stanhope seems to think.

(1.) Nearly the whole of the import duties have been abolished at a net cost of 1,108,000 *l.* a year (*see* paragraph 229 of Financial Statement for 1882-83).

(2.) The salt duty has been reduced by 30 per cent. in Bengal and by 20 per cent. elsewhere, the immediate loss being 1,400,000 *l.* a year (*see* paragraph 200 of Financial Statement for 1882-83).

(3.) The

* If this Return is to be presented annually to Parliament, I would suggest that *Productive Public Works (Revenue Account)* be no longer treated as an expenditure head. It is now well-nigh certain that there will always be a net revenue under this head, and the plan of entering what is really a revenue head on the expenditure side of the account with a *minus* prefix is inconvenient.

(3.) The patwari cess has been taken off in the North-Western Provinces, at a cost of 241,000*l.* a year (*see* paragraph 59 of Financial Statement of 1882–83).

(4.) The cost of patwaris and kanungoes, amounting to 75,000 *l.* a year, which was formerly borne by the landlords of Oudh, is now borne by the Government, and the efficiency of the establishments has been increased at a further cost of 10,000 *l.* a year (*see* paragraphs 60-62 of Financial Statement for 1882–83).

(5.) The fee for the registration of letters has been reduced by 50 per cent., namely, from four to two annas, the estimated immediate loss being about 24,000 *l.* (*see* paragraph 76 of Financial Statement for 1882–83).

(6.) The postage on newspapers, not exceeding 1½ oz. in weight, has been reduced by 50 per cent., namely, from six to three pies, the immediate loss of revenue being estimated at 5,000 *l.* (*see* paragraph 77 of Financial Statement of 1882-83).

(7.) Some reductions have been made in the Telegraph Tariff (*see* Appendix II., paragraph 93).

(8.) The timber duty on the Salween river in Burma has been reduced from seven to one per cent., the estimated loss of revenue being 25,000 *l.* a year (*see* paragraph 53 of Financial Statement of 1882-83).*

(9.) The duty on Malwa opium has been reduced by 50 rupees a chest (*see* paragraph 197 of Financial Statement for 1883-84).

(10.) The railway rates on the transport of wheat have been reduced by 18½ per cent. (*see* paragraph 190 of the Financial Statement for 1883–84).

45. It is to be borne in mind that, concurrently with this reduction of taxation, there has been a large falling off in the opium revenue, as the following figures will show :—

	Net Revenue.
	£.
1880-81 - - - - - - - - - -	8,451,000
1881-82 - - - - - - - - - -	7,803,000
1882-83 (Revised Estimate) - - - - -	7,217,000
1883-84 (Budget Estimate) - - - - -	7,035,000

A further large reduction in the Opium Estimate will certainly have to be made in 1884–85 (*see* Financial Statement for 1883–84, paras. 223–24). I have little doubt that it will be possible to effect this reduction and to obtain financial equilibrium without the imposition of any fresh taxes.

46. Mr. Stanhope, however, says that, after the recent remission of taxation, "no "surplus was left." If this statement were correct the argument which I have employed above would be of little value. But I entirely deny its correctness.

47. In spite of an expenditure of 797,000 *l.* on the expedition to Egypt, the Revised Estimate for 1882-83 shows a surplus of 60,000 *l.*, and we know now that, when the accounts are finally closed, a much more favourable result will be shown. Further, it is certain that, unless a war or famine occurs, there will be a large surplus in 1883-84 which will enable the Government to meet the fall in the opium revenue, which is to be anticipated in 1884–85 (*see* para. 223 of the Financial Statement for 1883–84), without a resort to fresh taxation. I am, therefore, at a loss to understand what Mr. Stanhope means when he says that, after the recent remissions of taxation, there is "no surplus "left."

48. Mr. Stanhope also said that, though "it was true there was some slight elasticity "in the revenue, its result was not large." In connection with this subject I invite attention to the figures given in paragraph 40.

49. The average net *Land Revenue* for the 10 years ending 1880-81 was 18,145,000 *l.* In 1881-82 the revenue was 18,896,000 *l.* The estimated revenue for 1882-83 is 18,475,000 *l.*, and we now know that the actuals will be about 105,000 *l.* in excess of the estimate. The estimated revenue of 1883-84 is 18,533,000 *l.* In considering these figures, it is to be borne in mind that up to and including the year 1877-78 the *Portion of Land*

* This duty was subsequently reduced to ½ per cent. It is not kept on for revenue purposes, but merely in order to pay for certain establishments which are of use to the trading community.

Land Revenue due to Irrigation is included, whereas subsequent to that year the revenue under this head is excluded. If the amount of *Land Revenue* credited to *Productive Public Works* since 1877-78 be included, the figures of gross revenue would stand thus:—

	£.
Average 1871-72 to 1880-81 - - - -	21,260,000
1881-82 - - - - - - - - -	22,439,000
1882-83 (Revised Estimate) - - - -	22,232,000
1883-84 (Budget Estimate) - - - -	22,339,000

50. Passing over the revenue under *Tributes*, which is, of course, nearly stationary, I come to *Forest* (*see* Appendix II., paras. 65-68). In this case there is a steady tendency to increase. The average net revenue of the 10 years ending with 1880-81 was 198,000 *l.* The net revenue of 1881-82 was 314,000 *l.* The estimated net revenue of 1882-83 is 333,000 *l.*, and we now know that the actuals will turn out better than the estimate. The estimated net revenue of 1883-84 is only 256,000 *l.*, but I have very little doubt that it will amount to a larger sum.

51. The increase under *Excise* is very remarkable, as the following figures will show:—

	£.
Average net revenue from 1871-72 to 1880-81 -	2,428,000
1881-82 - - - - - - - - -	3,311,000
1882-83 (Revised Estimate) - - - -	3,480,000
1883-84 (Budget Estimate) - - - -	3,509,000

52. No comparison of the net revenue derived from *Assessed Taxes* (*see* Appendix II., paras. 24-26) during the years under consideration is of any value, as so many changes have been made in the fiscal laws under which they are levied.

53. The same remark applies to some extent to *Provincial Rates* (*see* Appendix II., paras. 21-23). The estimated falling off in 1882-83 and 1883-84 as compared with 1881-82 is due to a remission of taxation amounting to 241,000 *l.* in the North-Western Provinces. In reality the revenue shows a steady tendency to increase.

	£.
1881-82 - - - -	2,829,000
1882-83 (Revised Estimate)	2,610,000
1883-84 (Budget Estimate)	2,631,000

54. The falling off under *Customs* (*see* Appendix II., paras. 62-64) is, of course, due to the abolition of the import duties.

54 (*a*). The revenue under *Salt* (*see* Appendix II., paras. 46-61) shows a most satisfactory tendency to increase. In 1881-82 it was 6,845,000 *l.*, as compared with an average of 5,985,000 *l.* during the 10 years ending with 1880-81.* The estimated falling off in 1882-83 and 1883-84 is, of course, due to a reduction of the duty. I have, however, no doubt that in a few years the revenue at the reduced rate of duty will be equal to that formerly realised at the higher rate (*see* Financial Statement for 1883-84, paras. 95-116).

55. *Opium*, as I have frequently said before, shows a steady tendency to diminish, but the increasing revenue from other sources will probably be sufficient to make good the loss under this head.

56. *Stamps* show a steady tendency to increase, as the following figures will show:—†

	£.
Average 1871-72 to 1880-81 - - - -	2,737,000
„ 1881-82 - - - - - -	3,233,000
„ 1882-83 (Revised Estimate) - - -	3,254,000
„ 1883-84 (Budget Estimate) - - -	3,288,000

57. The

* In these figures refunds are deducted, but no deduction is made on account of the payments to Native Princes, which figure under *Assignments and Compensations*.

† These figures do not tally with those given in Appendix II., paragraphs 17 and 18, as they include receipts from Court Fees. In the figures given in Appendix II., paragraphs 17 and 18, the receipts from Court Fees are excluded from *Stamps* and included under *Law and Justice* (paragraphs 150-165).

57. The revenue from *Registration* (*see* Appendix II., paras. 69-70) is almost stationary, but the amounts are small.

	£.
Average 1871-72 to 1880-81 - -	73,000
„ 1881-82 - - - -	104,000
„ 1882-83 (Revised Estimate)	98,000
„ 1883-84 (Budget Estimate)	93,000

58. I have already (para. 42) shown the remarkable development of revenue from Productive Public Works.

59. Sir John and General Strachey in their recent work* said—"We may, at least for the "present, dismiss as erroneous all statements regarding the absence of elasticity in the "revenues of India. If they have not shown themselves to be elastic, it is difficult to conceive "what elasticity means." I agree with Sir John and General Strachey, and not with Mr. Stanhope. In point of fact, so far from being inelastic, the revenue of India is remarkable for its elasticity. I shall be much surprised if, in the course of the next 10 years, the Indian does not show itself to be more elastic than the English revenue.

60. I now turn to the consideration of another branch of the question. In some cases a real increase of expenditure has taken place during the last three years. Thus the subordinate executive Service has been reorganised at a cost of about 45,000 *l.* a year. An Agricultural Department has been re-created. The Forest Department in Madras has been reorganised. The Meteorological Department has been strengthened. Veterinary schools have been established, and a number of small reforms connected with *Scientific and other Minor Departments* have been carried out (*see* Appendix II., paras. 190 (*a*)-210). It is not sufficient to state baldly that there has, in these cases, been an increase of expenditure. It is necessary to take into account why the additional expenditure has been incurred.

61. In connection with this subject I should wish to draw attention to the peculiar circumstances which have obtained during the last two or three years. It will be remembered that in 1876-77 to 1878-79 a disastrous famine occurred. One of the results which ensued from that famine was that a Commission, composed of highly-qualified persons, was appointed to examine into the causes of famine in India, and to propose whatever remedial measures were possible in order to mitigate its intensity. When the pressure of the Afghan War was over, it became the duty of the Government to consider very carefully the recommendations of the Famine Commissioners. The Commissioners themselves had concluded their Report, which was sent in on 31st July 1880, in the following words: "We may be pardoned for expressing the hope that the magnitude of "this subject and its intricacy may not be permitted to stand in the way of the early "practical adoption of whatever remedial measures are now approved, and that the well-"known danger of attempting too much, or of postponing all action till all doubt is "removed, and of prolonging discussion in the vain expectation of attaining complete "uniformity of judgment, may in this case be avoided."

62. Anybody who is well acquainted with the history of Indian administration must be well aware that the dangers to which the Famine Commissioners alluded are by no means imaginary. The most voluminous reports on every conceivable subject exist in the archives of the Government of India. It appeared, however, to the Government that the period for discussion had now passed, and that, in certain directions at all events, the time had arrived when some definite action should be taken. Almost every single one of the proposals of the Famine Commission involved an increase of expenditure. I am not in the least prepared to defend every petty item in respect to which expenditure has been incurred. Neither, indeed, have I sufficient technical knowledge to say whether in every case the expenditure was wisely incurred, or the reverse. But I do say that, in view of the fact that the financial condition of the country was generally prosperous, and that, so far from its being necessary to impose additional taxes, it became possible to make a very large remission of taxation, it was the bounden duty of the Government to give effect, to the best of its abilities, to the views of the Famine Commissioners. In a great many, I think I may indeed say in a majority, of the cases where an increase of expenditure has occurred during the last three years, that increase may be traced to the recommendations of the Famine Commission.

63. I have so far criticised Mr. Stanhope's method of comparison, and I have endeavoured to institute a comparison of the revenue since 1880-81 with the average revenue of the preceding 10 years. As a matter of personal opinion, however, I attach but little importance to general comparisons of this sort. The only way in which any useful comparison with past years can be instituted is, by taking separately each item in the accounts and estimates and carefully analysing the causes of increase and decrease. To do this thoroughly would require a complete examination of the accounts since the year 1871-72. I am unable to spare the time which would be necessary in order to conduct such an examination, but in a paper attached to this Minute (Appendix II.) I have stated the main incidents connected with each item. Even this inquiry has involved a great deal of labour, and I fear that few people will care to follow me through the dry and uninteresting details with which I have dealt. Nevertheless, it will be impossible to arrive at any accurate

* *The Finances and Public Works of India*, page 26.

accurate general conclusion unless it be based on a careful examination of the details. The question is essentially one of detail.

64. I should wish before I conclude to make some further observations on certain remarks which fell from Mr. Stanhope in the course of his speech.

65. In the first place I wish to express my entire concurrence with Mr. Stanhope in the remarks he made about military expenditure. It is possible that the whole of the reforms recommended by the Army Commission, and which would have involved a saving of about 1,250,000 *l.* a year, could not be carried out without impairing the efficiency of the army. The reforms proposed by the Government of India involved a saving of from 500,000 *l.* to 600,000 *l.* In deference to the views expressed by the military advisers of the Government, I was quite prepared to accept this, relatively speaking, minor instalment of reform, but I wish to express my strong opinion that this is the minimum amount of economy which might be effected without in any way impairing the efficiency of the army. I wish to draw special attention to the remarks contained in the Military Despatch to the Secretary of State, No. 401, of 20th October 1881. After giving a list of the changes made in the organisation of the English army during the last 20 years which have thrown additional charges on the Indian revenue, the Government of India went on to say—"These additional charges amount to more than 800,000 *l.* a year. Some of them "were for necessary improvements; others were imposed with little or no reference to "Indian wants, and in most cases without the Indian Government having any voice in "the matter." The military expenditure of India can never be placed on a satisfactory footing whilst a large portion of it remains, as it practically is at present, at the mercy of the War Office and the Horse Guards. Nothing has yet been done, and there appears to be very little prospect of anything being done, towards carrying out the most important of the reforms proposed nearly two years ago by the Government of India.

66. Mr. Stanhope criticised the arrangement under which one-half of the Famine Insurance money (750,000 *l.*) is applied to the construction of Protective Works. The arrangement was not invented by me. When I arrived in India I found that Lord Cranbrook had given instructions that one-half of the Famine Insurance money should be devoted to the reduction of debt and one-half to the construction of Protective Works. I think on the whole that this is as good an arrangement as could be adopted, though the question is a very arguable one. The only change I should like to see made is that the 750,000 *l.* now applied to Protective Works should be capitalised.

67. Mr. Stanhope then spoke of the "great danger" arising from the "enormous remittances" which India has to make annually to England. I will not now attempt to discuss this important and difficult question, but I wish to point out that, when Mr. Stanhope says that "the loss in a single year by exchange had been as much as 3,000,000 *l.* "or 4,000,000 *l.*," he seems to me to have exaggerated. The words "Loss by Exchange" are very misleading, and I am glad to say that we now no longer use them in our accounts and estimates (*see* Financial Statement for 1883–84, paragraph 45). I do not think that the real loss in any one year has ever been nearly so much as the figure mentioned by Mr. Stanhope. I beg to repeat what I said in the Financial Statement for 1881–82 (paragraph 80). After stating that the net *Loss by Exchange*, as it was then termed, was estimated at 3,063,120 *l.* for 1881–82, I added—"I need hardly point out that these "(*i.e.*, the entries *Gain by Exchange* and *Loss by Exchange*) are adjusting entries, and "the difference between them does not furnish the true measure of the loss to India from "the recent change in the relative values of gold and silver. In order to arrive approxi-"mately at the real loss by exchange, we must assume a normal relative value between "gold and silver. When that relative value was as 1 to 15½, the 165 grains of pure silver "contained in a rupee were worth 1 *s.* 10⅝ *d.*"

68. Mr. Stanhope then went on to say that "in his opinion the only way of grappling "with that grave danger (*i.e.*, the exchange question) was either to develope trade in "India, or to reduce the debt in England." I entirely agree, but I hardly think that the present Government can be fairly accused of inaction in respect of either of these two points. We have abolished almost the whole of the import duties. We have largely reduced the duty on salt. We have given a great impetus to the wheat trade by reducing the railway freights. If greater progress has not been made in the direction of improving communications, this is certainly not the fault of the Government of India. I hardly think that this can be called a slow rate of progress, when it is considered that these reforms have been carried out in three years. The export duty on rice indeed remains, but I do not doubt that before long its abolition will be possible.

69. As to reducing debt, about 2,000,000 *l.* was applied to the reduction of debt in 1881–82 and 1882–83, of which about 1,300,000 *l.* was in England. I do not see what more could have been done. A reduction of debt in the aggregate is, of course, impossible so long as we continue to borrow annually for Productive Public Works. I am fully alive to the importance of reducing debt in the aggregate, but I do not think that the time has yet come for seriously considering the question. When the export duty on rice has been abolished, when the scale of Court Fees has been reduced, and when the network of relatively unremunerative railways necessary for protection against famine has been completed, it will be possible to take the question of a real reduction of debt seriously in hand.

hand. In the meanwhile the present Government, by encouraging private enterprise in railways, has done something towards preparing the way for the consideration of this measure. One main object I always had in view in encouraging private enterprise was, to work gradually up to a time when the annual loan for Productive Public Works might be stopped, and a real reduction of debt would come within the domain of practical finance.

70. Mr. Stanhope says that it is "hardly possible to increase taxation." I am unable to agree in this view. India is very lightly taxed, and it is on economic and political grounds very desirable that it should be lightly taxed. The people are poor, and there is, in many districts, great pressure of the population on the soil. Moreover, as Lord Lawrence truly remarked, "light taxation is the panacea for foreign rule in India."* It would, however, be perfectly possible, should the necessity arise, to derive a considerably greater revenue from direct taxation, though I will not now enter into the question of whether such a step would be desirable, or the reverse. Moreover, one of the avowed reasons for reducing the salt duty was that it might constitute a fiscal reserve (*see* Financial Statement for 1882-83, paragraph 201). I should much regret if the necessity for enhancing the salt duty should arise, and I have no reason whatever to suppose that it will arise; but there can, in my opinion, be little doubt that the salt duty constitutes the best fiscal reserve for India, and there can certainly be no doubt that by putting on again the eight annas a maund, which were taken off in March 1882, the revenue might be increased by about 1,500,000 *l.* a year.

71. In conclusion, I wish to remark that, although I most emphatically deny that any charge for extravagance can be made good against the present Government, I am not in the least prepared to defend every petty item in the 66,000,000 *l.*, or thereabouts, that the Imperial and Provincial Governments of India spend annually. If anyone can point out where expenditure can be reduced without doing harm, he will be rendering a public service. All I can say is that, save in respect to military expenditure, I do not know in what quarter any large permanent reductions can be made without doing harm. The large temporary expenditure on Public Works by Provincial Governments will, of course, cease when once the balances, which accumulated during the Afghan War, have been brought down to their normal figures. To use Mr. Cross's words: "I "am as anxious for economy as Mr. Stanhope; but it must be economy which "should not fetter progress." I do not think it would be desirable at present to go further in the way of substituting native for European agency than will be the case under existing rules, and I think that the amount of money which might be saved by any such substitution is often much exaggerated. I am altogether opposed to checking the construction of Productive Public Works, or of works which insure the country against famine, provided such works can be carried out without a resort to fresh taxation. I gather from the terms of Mr. Stanhope's motion that he proposed to appoint a Parliamentary Committee to inquire into the question of reducing expenditure. The only sort of objection that occurs to me as regards this proposal is, that any Committee or Commission sitting in England will never be able to examine many of the most competent witnesses on the subject, for those witnesses are resident in India. Otherwise the more inquiry there is about Indian finance the better. The difficulties connected with the administration of the Indian finances are very considerable. I have no sort of wish to underrate them. I recognised them in my last Financial Statement (paragraph 8) in the following terms: "Our standard of value is unstable. Our opium revenue is precarious. "The tax-paying community is poor and incapable of bearing any heavy burthens. War "and famine are constantly recurring evils. The comparative absence of private capital "throws upon the State many onerous duties, which in other countries can be more "advantageously performed through the agency of private enterprise." I might have added that the very great ignorance which prevails on the subject of Indian finance both in England and in India adds materially to the difficulties of the situation. The subject is somewhat difficult and complicated, and to many people it is uninteresting. Moreover, it is often thought to be a great deal more difficult and complicated than it really is. The subject, in all its branches, cannot be mastered without a considerable amount of study and research, which again involves more time than most people care to devote to it. The result is that we hear commonplace arguments, which either never were true, or have long since ceased to be true, repeated over and over again without much reference to the facts on which they are based. No one with any knowledge of the real facts of the present situation would speak of the Indian revenues being inelastic, of the people of India being ground down by heavy taxation, &c. Yet statements of this sort are repeated over and over again. Then also, it is to be remembered that the spasmodic manner in which Indian finance occasionally attracts the attention of Parliament and of English public opinion often does a great deal of harm. At one time there is an outcry for excessive expenditure on barracks, railways, &c. At another time there is an outcry for reduction of expenditure, with the result that there is great danger lest hasty steps be taken which may in the end prove the very reverse of economical. There is, indeed, plenty of room for discussion and criticism on financial and economic questions in India; but, so far

* *Life of Lord Lawrence*, Vol. II., p. 497.

far as I have been able to see, the discussions, both in Parliament and the Press but too often leave the real points of issue untouched, and turn upon issues of relatively slight practical importance.

72. I have said that I do not wish to underrate the difficulties connected with the Indian financial situation. It would, in my opinion, be a mistake no less great to overrate them. The following table shows the financial results of the last 13 years :—

£. 1 = *Rs.* 10.

YEAR.	Revenue.	Expenditure.	Surplus.	Deficit.
	£.	£.	£	£.
1871-72	56,452,228	53,328,051	3,124,177	—
1872-73	56,550,986	54,785,314	1,765,672	—
1873-74	57,050,309	58,857,977	-	1,807,668
1874-75	58,916,960	58,597,943	319,017	—
1875-76	60,086,956	58,418,011	1,668,945	—
1876-77	58,726,658	60,909,436	-	2,182,778
1877-78	61,922,796	65,465,883	-	3,543,087
1878-79	65,065,316	63,031,070	2,034,246	—
1879-80	68,144,308	69,327,257	-	1,182,949
1880-81	72,152,380	76,196,519	-	4,044,139
1881-82	73,695,806	71,113,079	2,582,727	—
1882-83 (Revised Estimate)	67,913,900	67,854,100	59,800	—
1883-84 (Budget Estimate)	67,274,000	66,817,000	457,000	—
TOTAL £.	823,952,603	824,701,640	12,011,584	12,760,621
Net Deficit £.				749,037

73. It will be seen there has been a net deficit during the 13 years commencing with 1871-72 of about 749,000 *l.* In considering these figures, however, it must be borne in mind (1) that the surplus of 1882-83 will certainly be in excess of the Revised Estimate; (2) that unless a war or famine should occur, the surplus of 1883-84 will be largely in excess of the Budget Estimate; (3) that these figures include 2,177,000 *l.*, which have been spent, or for which provision is made, in the three years 1881-82 to 1883-84 for reducing debt and thus providing an insurance against future years of famine. For all practical purposes it may be said that the net result of the last 13 years, allowing nothing for the expected improvement of 1882-83 and 1883-84, has been to show a surplus of about 1,500,000 *l.*

74. When it is considered (1) that during these 13 years there were two costly famines; (2) that during the same period the war in Afghanistan took place, which cost India, exclusive of Frontier Railways, 12,500,000 *l.*; (3) that about 800,000 *l.* was spent on the Egyptian Expedition; and (4) that during this period very large remissions of taxation have taken place, I cannot think that these figures are unsatisfactory. I doubt, indeed, whether any country in the world can show a more satisfactory balance-sheet.

Evelyn Baring.

APPENDIX I.

MEMORANDUM on the Charge of Extravagance against the present Government of India based on the Increase of Expenditure in 1881-82, 1882-83, and 1883-84.

Mr. Stanhope's attack based on increase of expenditure.

MR. STANHOPE bases his main attack on the management of Indian Finances on a great increase of expenditure in 1881-82, 1882-83, and 1883-84, as compared with the average expenditure of the preceding 10 years.

I do not propose to follow in detail the figures given by Mr. Stanhope, but merely to set forth certain general considerations which fundamentally affect the arguments in support of any charge of extravagance against the Government of India based solely on an apparent increase of expenditure. It must be understood that I do not profess to analyse in detail the progress of revenue and expenditure since 1871-72, which would be a work of time and labour, but that I merely undertake to state broadly the chief causes which have led to increased expenditure in 1881-82, 1882-83, and 1883-84, and to show that this increase is of good omen for the future of India, is the outcome of comparative material prosperity, and is not the result of financial extravagance.

Mere increase of expenditure no proof of extravagance in a country in the position in which India is at present.

2. In the first place, I deny that, in India, an increase of expenditure is, by itself, any proof of extravagance, or of want of economy, or of neglect of the interests of the country.

The wants of India are so great that a liberal expenditure is justifiable, if funds can be made available without pressing unduly on the resources of the country. The question is not, "*Has expenditure increased?*" but "*Has the expenditure been incurred judiciously and in the right direction? Has the money been raised without unduly pressing on the country?*"

The key-note of the work entitled *The Finances and Public Works of India* is the need for a liberal expenditure on public works.

India's expenditure on public works does not mean expenditure on public buildings and museums to gratify the inhabitants of a luxurious capital; it means roads, railways, canals, without which millions of human beings are doomed sooner or later to a miserable death by starvation.

I cannot do better than quote the following passage from the work already referred to:—

"*This is no time to say 'Rest and be thankful.' Year after year runs silently by; and the fatal term will only too soon be reached when another terrible catastrophe will suddenly arise, though exactly when and where we know not.*

"*It is in the intervals of prosperity which are granted to us that we must prepare for the inevitable future; and, if the lessons of the past still continue to be neglected, the responsibility for the consequences will rest upon those who, having the power to arrest them, have failed to do so. For any hesitation or delay in carrying out the works which alone can give the country the protection it requires, there is no valid argument to be found either in the probability of their causing financial difficulty, or in their insufficiency for meeting the end in view. So far from this being the case, judicious expenditure on these works will certainly supply the only assured means of preventing frightful mortality and ruin, and of avoiding the future waste of millions on ineffectual famine relief with no corresponding permanent benefit to the country: and such works, while thus affording protection in time of difficulty, will continually increase the resources of the people, and render them more and more capable of resisting pressure when it arises. Past experience, both in what we have done and in what we have left undone, points to these conclusions.*"

These are the statements of men who had had a life-long experience of Indian administration, and they are substantially the same as those which Mr. Laing expressed in bringing forward the Indian Financial Statement for 1861-62:—

"*It is heart-breaking to hear of districts barren for want of water where water is to be had, of roads half-finished and abandoned, or finished but useless for want of some bridge which has tumbled down. India has two great wants,—irrigation and communication. I do not mean grand schemes only which strike the imagination, so much as village roads and village tanks and water cuts, which enable every rood of ground to grow its crop and send it to market.*"

I am confident that, if the opinions of those who have practical experience of the wants of India be asked, they will reply unanimously that first of all, and above all, India requires an expenditure on public works, which should be limited only by her financial ability to provide the funds.

Nor can increase of expenditure be limited to public works only; increased expenditure is needed for the extension of education, for the improvement of the position of the subordinate officials, for the establishment of additional courts of justice, and for many other purposes.

Unfairness of the comparison between the average expenditure of the years 1881–82 to 1883–84, and the average expenditure of the preceding 10 years.

3. In the next place, I must point out that, in bringing a charge of extravagance against the present Government of India, it is unfair to compare the average expenditure of 1881–82, 1882–83, and 1883–84, with the average expenditure of the preceding 10 years. The expenditure in India has been steadily growing *pari passu* with the revenue; the present Government is not responsible for the increase that took place before 1881 82, and the only fair comparison, in bringing a charge of extravagance against the present Government of India, would have been with the expenditure immediately preceding 1881-82.

The years 1881–82 and 1882-83 were also years of great and almost unprecedented prosperity, and when the estimates for 1883-84 were framed there was every reason to anticipate that the same prosperity would continue throughout the year 1883–84. The same cannot be said of the preceding 10 years. During those years there were the great famines of Bengal and Madras, and the Afghan War. Expenditure was during this time reduced to a minimum, public works, and the administration generally, being starved. In paragraph 5 will be found a special order of the Government of India reducing expenditure in 1878, and in Financial Department Resolution No. 2997, dated 14th November 1873, the following orders were issued in connection with the Bengal famine:—

"*The Viceroy and Governor General accordingly deems it necessary to invite the attention of Local Governments and Chiefs of Departments to the imperative necessity that is laid upon the Government and its officers for the immediate curtailment of all expenditure that can be reduced, postponed, or dispensed with. The scarcity in Bengal may cause a considerable strain on the general resources of the State, and expenditure that would be proper under ordinary circumstances would be out of place now.*

"*His Excellency desires that each officer will take immediate steps to stop any expenditure in the present year that can be prevented, and that all estimates of charge for the coming year* 1874–75 *may be reconsidered and reduced to the utmost possible extent.*"

It is misleading to compare the expenditure in years of great material prosperity with that of years in which all expenditure that could be reduced, postponed, or dispensed with, was summarily curtailed by the express orders of the Government of India. Those who make this comparison the basis of a charge of extravagance appear to think that the Government of India need only engage in a costly war, curtail all expenditure, Imperial, Provincial, and Local, in order to find the means of carrying it on, and in fact generally starve the administration, and it will then become entitled to deduct the war expenditure from the total expenditure of the country, and to claim credit for economy on the ground of the smallness of the balance.

In short, the more the Government of India spends on war at the expense of the ordinary administration, the greater the credit it deserves for economical management of the finances.

Argument based on mere increase of expenditure fallacious from special causes.

4. I have said that an increase of expenditure is *per se* no proof of want of economy in the management of Indian finances.

I will also show that the argument from a mere increase of expenditure is sometimes specially fallacious, because certain classes of expenditure bring in a more than equal amount of revenue.

Much of the public expenditure of India is directly, as well as indirectly, reproductive, and an increase of expenditure often gives rise to an increase of *net* revenue, but the increase of revenue does not in all cases appear under that Revenue Head of the Accounts which directly corresponds to the Expenditure Head under which the expenditure has appeared. A single instance will illustrate my meaning.

Increase of expenditure under Assignments and Compensations not a proof of extravagance.

In 1877–78 the total expenditure under Assignments and Compensations amounted to 825,726 *l.* In 1880–81 it was 1,215,013 *l.*, being an increase of no less than 389,287 *l.* Here there is ample ground for a charge of extravagance, an increase of nearly 50 per cent. in three years.

But this increase represents merely one portion of a reform which has conferred great benefits on the country. A vast customs line extended through the centre of India, and was manned literally by an army of preventive officers, who charged duty on all salt and sugar crossing the line in specified directions. By agreeing to yearly payments to various Native States, the Government of India secured control of the various salt sources not situated in British territory, and obtained the right to tax the salt consumed in those States. A great increase of revenue was the result; it became possible to sweep away the customs line; and the duty on sugar, which was simply a transit duty on an article produced in our own territories, was finally abolished.

In this case the expenditure appeared under Assignments and Compensations, and the increased revenue under Salt: any criticism which looks only to the expenditure under Assignments and Compensations, and fails to take into account the increased revenue under Salt, overlooks the more important half of the subject.

Increase of expenditure due to local taxation for local purposes, and to success of scheme Provincial Services.

5. I will now take up the question of the increased expenditure due to—

I. Local Taxation for Local Purposes.

II. The great success of the Reform in the direction of Financial Decentralisation known as the System of Provincial Services.

I hope to be able to show that much of the increase of expenditure in the years 1881–82, 1882–83, and 1883–84, which has been brought forward as proof of extravagance

gance on the part of the present Government of India, is really a proof of the success of the policy of statesmen who held that local wants in India could only be met by local taxation, and who for years supported the system of financial decentralisation which was inaugurated by Lord Mayo. The present Government is neither entitled to credit for the success of that policy, which was introduced many years ago, nor responsible for the expenditure to which it has led, and which is at once the proof, and the outcome, of its success.

Indian accounts show both Imperial, Provincial, and Local expenditure.

6. The Indian accounts show not merely Imperial, but also Provincial and Local, revenue and expenditure.

Imperial and Provincial revenues we may treat for many purposes as one: they are the revenues dealt with by the governing power; I will try to show hereafter how the system of Provincial contracts has, most fortunately, enabled Local Governments to increase expenditure, but in the first place I will deal with purely local expenditure.

Policy of local taxation to meet local wants approved by successive Governments.

Local revenues are quite different from Imperial and Provincial revenues; they are the proceeds of taxation raised for local purposes, and are, under conditions of greater or less stringency, at the disposal of local bodies. It has been the policy of Government to develope such bodies, because in no other way could local wants be adequately met. I may quote here the words of Mr. Laing on this subject. They were uttered in 1862–63, and they stated in plain language what was to be the policy of Government for the succeeding twenty years, a policy the success of which is now made the ground of a charge of extravagance against a Government that is responsible only for the last three years:—

"*If this great Empire is ever to have the roads, the schools, the local police, and other instruments of civilisation, which a flourishing country ought to possess, it is simply impossible that the Imperial Government can find either the money or the management. The mere repair of the roads, where anything like a sufficiency of good roads has been made, is matter altogether beyond the reach of any central bureau. It is of the first importance to break through the habit of keeping everything in dependence on Calcutta, and to teach people not to look to the Government for things which they can do far better for themselves.*

"*It is most desirable to break through the system of barren uniformity and pedantic centralisation which has tended in times past to reduce all India to dependence on the bureaus of Calcutta, and to give to Local Governments the power and the responsibility of managing their own local affairs. The great branches of the expenditure, such as the Army and the National Debt, are Imperial: and, while this is the case, the great branches of revenue must remain Imperial also. But there is a wide field, both of revenue and expenditure, which is properly local, which in England is met by local rates, and which, in fact, must be met locally, or not at all.*"

Similar language was used by Sir C. E. Trevelyan in 1864:—

"*It is impossible that all the wants of this great Continent, according to the continually rising standard of the public requirements, can be provided for out of the Imperial revenues. Local agency and local resources, which are as multifarious as they are inexhaustible, must be increasingly drawn upon.*"

The increase of expenditure by local bodies is a matter for congratulation and not for regret, and this increase of expenditure in no way affects the finances of the empire, for no such expenditure can be incurred unless the money to meet it has been previously raised from local sources.

Local Revenue from 1871–72 to 1883–84.

7. The following figures give the local revenue for each year since 1871–72:—

	£.
1871–72	1,947,603
1872–73	2,323,787
1873–74	2,705,108
1874–75	2,606,888
1875–76	2,955,205
1876–77	2,354,749
1877–78	2,495,411
1878–79	2,755,238
1879–80	2,962,402
1880–81	2,879,762
1881–82	3,032,361
1882–83	2,545,300
1883–84	2,562,800

Increase of Revenue justifies an increased expenditure of 114,538 *l.* per annum.

It will be seen that there is a falling-off of revenue in 1882–83 and 1883–84. I will presently explain the cause of this decrease, but, as the total revenue in 1881–82, 1882–83, and 1883–84, averaged 2,713,487 *l.* annually, while in the preceding 10 years it only averaged

averaged 2,598,615 *l.*, it is clear that the increase of revenue would justify an expenditure during 1881–82, 1882–83, and 1883–84, of 114,872 *l.* per annum in excess of the average of the preceding 10 years.

Further justifiable increase of 218,666 *l.* per annum in each of the years 1881–82 to 1883–84.

And this does not represent the whole of the facts, for in 1882–83 the Government of India practically remitted local taxation to the extent of 326,000 *l.* per annum in the North Western Provinces and Oudh, and found the money from Imperial revenues; the revenue from which this expenditure is met does not appear as Local Fund Revenue, and the expenditure is not now shown as Local Fund Expenditure, but it forms a portion of the total expenditure shown in the Indian Accounts under the three heads of Imperial, Provincial, and Local. The amount which is now borne by the general revenues would come to 652,000 *l.* in two years, and would admit of an average expenditure of 218,000 *l.* for each of the three years 1881–82, 1882–83, and 1883–84, so that the total annual excess over the average of the previous 10 years which might have been met from local funds with safety is 332,872 *l.* (114,872 *l.* *plus* 218,000 *l.*). (Of course, in dealing with Imperial revenue, we must deduct from the total expenditure which the increase of Imperial revenue would justify a yearly sum of 326,000 *l.*, as we have included this sum in dealing with local expenditure.)

There is, also, a special cause for high expenditure in 1881–82, 1882–83, and 1883–84, which will be explained in the next paragraph.

Issue of orders by the Government of India in 1878 to curtail Local Expenditure.

8. All revenue raised by local bodies during any year, and not spent by them in that year, goes to increase the balance to their credit, and may be spent by them in any subsequent year or years, thus raising the expenditure temporarily to an abnormal figure. In 1878 the Government of India issued orders that all ordinary expenditure, Imperial, Provincial, and Local, should be curtailed as far as possible, in order to meet the cost of the war in Afghanistan. The orders are contained in Financial Department Resolution, No. 4063, dated 9th November 1878, from which I extract the following passage:—

"*In view of the possibility of Military operations beyond the North-western frontier, for which costly preparations are being already made, * * * it is of immediate importance that the resources of the country should thus, as far as possible, be made available to meet present and probable extraordinary demands, and measures should be taken for suspending or postponing all optional expenditure, whether Imperial, Provincial, or even from Local funds, the balances of which are in the Imperial Treasury.*"

Balance of local funds increased largely after the issue of these orders.

Whether from this cause alone or not I cannot say, but it is a fact that from the beginning of 1878–79 to the end of 1880–81 the balances of local funds largely increased.

The following statement shows the actual and estimated balances every year from 1877–78 to the present time:—

	Closing Balance.
	£.
1877–78	861,642
1878–79	1,199,113
1879–80	1,284,642
1880–81	1,386,271
1881–82	1,146,497
1882–83	918,800
1883–84	611,700

Total saving in three years amounted to 524,629 *l.*

It will be seen that in the three years 1878–79 to 1880–81 local bodies saved out of their income no less than 524,629*l.* (1,386,271 *l.* — 861,642 *l.*). There was besides a considerable balance to their credit in the beginning of 1878–79, and, when the prohibition given in 1878 ceased to operate, they wisely, and as a matter of course, made arrangements to spend their accumulated savings on the roads, bridges, and other useful works, of which all India stands urgently in need. For this purpose no sanction by, or even reference to, the Government of India was necessary.

Accumulated savings of previous years are being spent in 1881-82, 1882-83, and 1883-84.

It will be seen that in the three years 1881-82, 1882–83, and 1883–84 they will have spent out of previous savings, and in excess of their income for these years, 774,571 *l.* (1,386,271 *l.* — 611,700 *l.*).

I have already shown that the increase of Revenue in 1881–82, 1882–83, and 1883-84, over the average of the previous 10 years, would justify in each of these years an excess expenditure

expenditure of 332,872 *l.*, or of 998,616 *l.* in the whole period, and adding the sum which is being spent from past savings we get a total of 1,772,187 *l.*, or 591,000 *l.* per annum.

Absurdity of the charge of extravagance against the present Government of India on the ground of an increase of Local Expenditure.

This sum forms a portion of that increase of expenditure on which a charge of extravagance against the *present* Government of India has been based, although the present Government has not given its sanction to any additional taxation for local purposes, and is not responsible for the policy of local taxation to meet local wants, or for that natural growth of local revenue which justifies additional local expenditure. Is it intended that the present Government should be blamed for removing the restriction on local expenditure by which local bodies were sacrificed to the wants of Imperial finance, and for allowing local bodies to spend the money which they had raised with the approval of successive Governments from local sources and for local purposes? *

Original scheme of Provincial Services involved decentralisation of expenditure and not of revenue in any considerable degree.

9. I will now take up the question of the increase of expenditure due to the success of the great policy of financial decentralisation. When the scheme of financial decentralisation and local responsibility was first introduced by the Government of Lord Mayo in 1871, provincial governments were told that they must meet all expenditure falling under certain heads in the accounts. To enable them to do so, they were given the receipts under corresponding revenue heads, and a fixed yearly allotment from the general revenues, sufficient or nearly sufficient to cover the expenditure. No share in any of the chief heads of revenue was assigned to them, and the total amount of revenue made over to their management was small, the bulk of their receipts being derived from the yearly allotment made by the Government of India.

It consequently afforded no special stimulus for the development of revenue.

As the local governments had no large heads of revenue assigned to them, there was no special stimulus or opportunity for the development of revenue by careful administration, and, as there could be no large increase of receipts, there could be no corresponding increase of expenditure. The total provincial *revenue* (as distinguished from the allotment from the Supreme Government) was 1,486,655 *l.* in 1871-72; in 1876-77 it was only 1,558,148.

To remedy the defects of the original scheme, the system of decentralisation was extended in 1877-78 to revenue as well as expenditure by the Government of Lord Lytton.

A new system was introduced from the beginning of 1877-78. Not only were the provincial governments required to meet the total expenditure on certain branches of the public service, but they were given (under certain conditions) the revenue from certain chief heads, such as excise, stamps, and law and justice.

Speaking of the arrangements made in 1871, the authors of the *Finances and Public Works of India* use the following words:—

"*The chief defect of these measures, excellent so far as they went, was that they dealt almost exclusively with expenditure, and hardly at all with income. If it was certain that provincial responsibility would tend to economy in expenditure, it was equally certain that it would lead to improvement in those sources of revenue which depend for their productiveness on good administration.*"

Additional taxation imposed by the Government of Lord Lytton.

Simultaneously with the introduction of the new scheme of provincial contracts, additional taxation was imposed. This taxation took the form of a license tax throughout nearly the whole country, and, in addition, rates on land were generally imposed, except in Madras and Bombay, where they already existed. This taxation was specially intended to meet the cost of famine by securing a surplus of 1,500,000 *l.* per annum in ordinary years. The total additional taxation was at first about 1,345,000 *l.*, but it was subsequently reduced to about 1,000,000 *l.*, and the relief given by Lord Ripon's Government to the land-holding classes in the North Western Provinces and Oudh from the beginning of 1882 practically reduced it to 674,000 *l.* The surplus of 1,500,000 *l.*, at which the Government of Lord Lytton aimed, merely operated to reduce the deficit during the Afghan War, but under the orders of the present Government a surplus of this amount is now secured by an equal amount being charged as expenditure every year; so that, when it is said that the finances are for any year in equilibrium, it should be understood that there is really a surplus of 1,500,000 *l.*, of which 750,000 *l.* is devoted to reduction of debt, and 750,000 *l.* to

* I may here quote a passage from a letter (No. 362-T., dated 11th June 1880), written by the Lieutenant Governor of Bengal to the Government of India, which bears on the question of the enforced accumulation of balances by the order of the Supreme Government:—"The Government of India are doubtless aware that there is springing up in Bengal a strong feeling of discontent in connection with the question of taxation on account of public works, and the accumulation of balances which are never utilised for the benefit of the province. It was supposed that, under the system of provincial finance, the revenue of Bengal would be devoted to developing its material resources and giving the province those works and communications the need of which was universally admitted. Unfortunately, from one cause or another, the Government of Bengal has never been able to make proper use of its surplus provincial revenue. First, the famine swept away all that Sir George Campbell had accumulated. Then afterwards, as funds became available, restrictions have been repeatedly placed upon their expenditure by the orders of the Supreme Government. The Lieutenant Governor does not say that the exigency of the State may not have fully warranted these restrictions in the past, but he feels that the practical result has been greatly to nullify the anticipated benefits from the system of provincial finance, and to lend a specious justification to the popular cry that the Local Governments are merely utilised for the accumulation of funds which the Government of India spends upon Imperial and extra-Provincial objects. As a matter of policy and good government it is extremely undesirable that any such idea should take firm rest in the minds of the people, and the Lieutenant Governor is particularly anxious that the people of Bengal should be convinced by practical demonstration that the funds raised within the province by special taxation on account of public works are actually so spent, and not allowed uselessly to accumulate."

to the construction of works, which, besides being to a greater or less extent productive in ordinary years, will in time of famine operate to reduce materially the large expenditure which would otherwise be necessary. The Provincial Governments derived almost no benefit from this additional taxation, and the increased expenditure which they have been able to incur is not due to it. The present Government of India had nothing to do with the imposition of this taxation, and I have alluded to it m[illegible]ly to obviate possible misapprehension.

Results of the syste of financial decentralisation.

10. As I have said, the various Local Governments were told in 1877-78 that they must meet certain classes of expenditure, and they were given certain heads of revenue for this purpose; the income made over to them was actually less than the expenditure, but it was hoped that with economy and good management they might make their income equal to their expenditure. What has been the broad result? Owing to good management and prosperous seasons, their incomes have in a series of years far exceeded the expenditure they had to meet. Although they were allowed to sanction additional expenditure, provided they could meet it from the revenues assigned to them, a yearly surplus accrued and went to swell the balances at their credit. No less a sum than 670,000 *l.* was withdrawn from their balances by the Government of Lord Lytton to meet the expenses of the Afghan War, but restored by the present Government in 1881-82.

Figures of Provincial revenue for 1877-78 to 1881-82.

The following figures show the Provincial income for each of the years of the contract that expired at the end of 1881-82, excluding Assam and Burma, with which special contracts were made in 1879:—

	Allotment.	Revenue.	Total.
	£.	£.	£.
1877-78 - - - -	4,593,920	7,576,109	12,170,029
1878-79 - - - -	4,835,090	7,908,865	12,743,955
1879-80 - - - -	4,476,056	8,663,529	13,139,585
1880-81 - -	4,349,371	8,659,923	13,009,294
1881-82 - - - -	4,729,071	9,309,317	14,038,388

For Assam and Burma the figures are as follows:—

	Revenue.
	£.
1878-79 - - - - - - - - -	1,262,962
1879-80 - - - - - - - - -	1,363,596
1880-81 - - - - - - - - -	1,434,447
1881-82 - - - - - - - - -	1,562,126

Total increase of Provincial revenue between 1877-78 and 1881-82 amounted to 2,032,372 *l.*

We see that there was an increase of revenue amounting to 2,032,372 *l.* during the currency of the contracts, from which should be deducted 1,045,444 *l.* on account of the increased cost of working expenses of Productive Public Works. The balance is 986,928 *l.*, and by the terms of the contract the whole of this increase was at the disposal of the Governments concerned, and is sufficient to account for an increase of expenditure of the same amount during each of the years 1881-82, 1882-83, and 1883-84.

The success of the scheme of Provincial Services led to this large increase of revenue, and this large increase of revenue led to, and fully justifies, the increase of expenditure.

Those who look only to the increase of expenditure bring a charge of extravagance against the Government of India; those who look deeper, see that Lord Mayo's policy of decentralisation has been the means of conferring vast benefits on the country.

Issue of orders by the Government of India in 1878 to curtail Provincial expenditure.

11. But there is another and special reason why expenditure should be high in 1881-82, 1882-83, and 1883-84. I have already alluded in paragraph 7 to orders issued by the Government of India for stopping all expenditure as far as possible, in order to meet the cost of the Afghan War, and I have shown how these orders were followed by a great increase of Local balances. The very same effect was produced by that order on Provincial balances also.

The following figures show the course of these balances from 1876-77 to 1883-84:—

Provincial balances increased largely after the issue of these orders.

	Total Closing Provincial Balance.
	£.
1876–77	232,813
1877-78	399,564
1878–79	1,323,467
1879-80	1,723,311
1880-81	1,950,056
1881-82	3,705,046
1882-83	2,427,400
1883-84	1,255,200

Total Provincial savings amounted to 3,472,233 *l.*

These figures show that from the beginning of 1877–78 to the end of 1881–82, Local Governments saved out of their incomes no less a sum than 3,472,233 *l.*

This money was entirely at the disposal of the Provincial Governments.

This money was, under the contracts, entirely at the disposal of the Provincial Governments, and would under ordinary circumstances have been spent as it came in, but, chiefly owing to the circular of 1878, it lay idle in the Treasury, and helped to provide funds for the Afghan War. Indeed, 670,000 *l.* out of it was appropriated in 1879–80 and 1880–81 by the Government of India, and swelled the Imperial revenue for those years, but was restored to the Provincial Governments in 1881–82 by Lord Ripon.

A portion of the saving is being spent in 1882-83 and 1883-84.

Out of this accumulation 2,449,840 *l.* (3,705,040 *l.* — 1,255,200 *l.*) is being spent in the years 1882-83 and 1883–84, and the expenditure in those years is temporarily swollen by this amount.

Summary of the causes of increased expenditure in 1881–82, 1882–83, and 1883–84.

12. I have now shown that the increase of Local revenue justified an increase of expenditure, and that the increase of Provincial revenue justified a still larger increase. I have also shown that expenditure is specially high in 1881–82, 1882–83, and 1883–84, because Local Bodies and Provincial Governments are now allowed to expend the enforced savings of previous years.

If we wish to make a fair comparison between the justifiable expenditure of the years from 1881–82 to 1883-84, and that of the average of the preceding 10 years, the total savings, which would under ordinary circumstances have been spent in the first 10 years, should be added to the expenditure of the 10 years, and the savings of former years, which are being spent from 1881–82 to 1883–84, should be deducted from the expenditure of the latter years. This applies to both Provincial and Local.

The calculation may be made in the following manner:—

		£.
Savings from 1877–78 to end of 1880–81	Local	524,629
	Provincial	1,717,243
Add, 670,000 *l.* withdrawn from Provincial Balances		670,000
Total £.		2,911,872

One-tenth of this sum is 291,187 *l.*, and the average expenditure of the 10 years beginning with 1871–72 should be increased by this amount.

		£.
Excess Expenditure in 1881–82, 1882–83, and 1883–84, due to short Expenditure in previous years	Local	774,571
	Provincial	694,856
Add, 670,000 *l.* restored in 1881–82 to Provincial Balances		670,000
Add, Special Additions to Provincial Balances in 1881-82		360,000
Total £.		2,499,427

One-third of 2,499,427 *l.* is 833,142 *l.*, and this sum should be deducted from the average expenditure of 1881-82, 1882-83, and 1883-84.

The comparison of the average expenditure of 1881-82, 1882-83, and 1883-84 with the average of the expenditure of the preceding 10 years vitiated to the extent of 1,124,329 *l.* per annum by the operations of the orders of 1878.

In any comparison of the average expenditure from 1881-82 to 1883-84 with the average expenditure of the years 1871—1881, an apparent increase of no less than 1,124,329 *l.* (291,187 *l.* + 833,142 *l.*) per annum is due to the orders of 1878, which sacrificed provincial and local wants to the necessities for the time being of the Supreme Government.

Yet, on their action in restoring the money of which Provincial Governments and local funds had been deprived in order to obtain the means of satisfying the wants of Imperial finance, is based a charge of extravagance against the present Government of India.

Increase of local and provincial revenue and accumulated savings of past years justify an increased expenditure in each of the three years 1881-82, 1882-83, and 1883-84 of 2,718,457 *l.* (*sic*).

13. We thus find that the increase of provincial revenue from 1877-78 to 1881-82 would have justified an increased annual expenditure of 986,928 *l.* in excess of the expenditure of 1877-78, that the increase of Local Revenue in 1881-84 over the average of the preceding 10 years would have justified an increased expenditure of 332,872 *l.*, and that the postponement of expenditure gave rise to a total increase of 774,571 *l.* from Local balances, and of 1,724,856 *l.* from Provincial balances, being 833,142 *l.* on an average for each of the three years 1881-82, 1882-83, and 1883-84.

Present Government of India not responsible for this increase.

The total is 2,152,942 *l.*, and the present Government of India is not responsible for the expenditure of one single rupee of this amount, except in so far as it was always in their power, by reversing the policy and disregarding the promises of former Governments, to seize this money and appropriate it to Imperial purposes.

But this sum must be taken as the justifiable increase of expenditure subject to certain qualifications. In the first place, the Government of India found from Imperial Revenues 326,000 *l.* of this amount, and must have been in a position to do so. In the second place, in making the contracts that began after the expiry of 1881-82, the Government of India deducted from Bengal 270,000 *l.* a-year, from the North-Western Provinces and Oudh 140,000 *l.*, and made a special arrangement in the case of Burma, the loss on which to Provincial Revenues we may take at 15,000 *l.* a year. On the other hand, various petty grants were made amounting to 38,000 *l.* The net result was a deduction from Provincial Revenues of 387,000 *l.*, and this reduces the admissible excess of expenditure from Local Funds and Provincial Revenues during each of the years 1882-83 and 1883-84 by an equal amount. This reduction necessitates a deduction of 258,000 *l.* for each of the three years 1881–82, 1882-83, and 1883-84, and brings the justifiable excess down to 1,894,942 *l.* a year. It must, however, be borne in mind that no account has been taken of the increase of Provincial Revenue during the years 1882-83 and 1883–84; also in the case of Local Funds the justifiable excess means excess over the average expenditure of the 10 years ending in 1880-81, while in the case of Provincial expenditure it means the excess over the actual expenditure of 1877-78. There is a certain awkwardness in adding these figures together, but we will certainly be below the mark if, in any examination of the total increase of expenditure, we take the justifiable increase of Provincial and Local expenditure at 2,000,000 *l.* for each of the years 1881-82 1882-1883, and 1883–84, including the increase due to the spending of former savings.

General progress of revenue since 1877-78.

14. The total revenue, Imperial, Provincial, and Local, in 1877-78, amounted to 61,922,796 *l.*; while in 1881-82 it amounted to 73,695,806 *l.*, showing an increase of 11,773,010 *l.*; from this should be deducted 2,659,768 *l.*, being the contribution for the Afghan War, and 2,274,193 *l.* on account of increased working expenses of Productive Public Works; there was therefore a substantial increase of revenue amounting to 6,839,049 *l.*

It was from this increase that the sum of 1,500,000 *l.* a year for Famine Insurance was provided, that Local and Provincial Funds obtained the means of largely increasing Local and Provincial expenditure to meet local wants, while taxation to the amount of very nearly three millions was remitted.

I doubt if greater financial progress has often been shown in any country in the same space of time.

Summary of conclusions.

15. As this Memorandum has now grown to considerable length, it may be well to give a summary of the conclusions at which I have arrived:—

I.—An increase of public expenditure in India is no proof that the finances are badly managed.

II.—It is unfair to charge the present Government with extravagance on the basis of a comparison between the average expenditure of 1881-84 and 1871-81,—

(*a*) Because the comparison ought to be made with the expenditure immediately before the present Government took office, and not with the expenditure of a series of years:

(*b*) Because the years 1881-84 were years of great prosperity (so far as can yet be judged), while the years 1871-81 included two great famines and an extremely costly war.

III.—An increase of expenditure often involves a still greater increase of revenue, which does not in all cases appear under the Revenue Head (if there be one) corresponding to the Expenditure Head, and it is therefore unfair to look only at expenditure heads, even though net figures be used.

IV.—A considerable portion of the increased expenditure is due to increase of local expenditure for which the present Government is not responsible.

V.—A large portion of the increased expenditure is due to the development of revenue under the system of provincial contracts, for the policy of which the present Government is not responsible.

VI.—The increase of local and provincial expenditure is the most satisfactory feature in the recent financial history of British India. No increase of local or provincial expenditure is possible without a previous increase of local or provincial revenue to at least an equal amount, and the increase of expenditure is therefore a proof of the elasticity of the revenues of India, and a complete justification of the policy inaugurated by Lord Mayo, approved by Lord Northbrook, developed and extended by Lord Lytton, and maintained by the present Government.

VII.—A large portion of the increased expenditure of 1881–84 is due to the fact that Local Bodies and Provincial Governments were prevented from spending their whole income by orders issued in 1878, and that this restriction was removed by Lord Ripon's Government. The orders of 1878 and 1879 struck a deadly blow at the policy of financial decentralisation, and they could only be justified on the ground of imperious financial necessity. It is a matter of deep congratulation that it was found possible to restore to Provincial Governments the money withdrawn from them, and to allow both Provincial Governments and Local Bodies to spend on the improvement of the country the revenues which had been assigned to them by express and deliberate agreement. The excess expenditure due to this cause will cease as soon as the enforced savings of past years are exhausted.

VIII.—The Government of Lord Ripon has imposed no fresh taxation of any kind, has remitted taxation amounting to very nearly three millions per annum, has maintained the scheme of Provincial Services in a liberal spirit, and has secured equilibrium between revenue and expenditure, in spite of increased loss by exchange, a fall in the opium revenue, and the heavy expenditure due to the Egyptian expedition.

16. I have admitted that there has been an increase of expenditure in India; that increase, so far as it is a permanent increase, being due almost wholly to the general policy of financial decentralisation, a policy introduced by Lord Mayo more than 12 years ago after the most careful consideration, and upheld, with the firmest conviction of its soundness, by successive Viceroys, by Lord Northbrook, by Lord Lytton, and by the present Government of India.

It is a singular fact that the very success of this policy should now be made the basis of an attack upon it, and of a charge of extravagance against a Government which came into existence some 10 years after its introduction. In Bengal, in the North-Western Provinces and Oudh, and in British Burma, the policy of financial decentralisation has been productive of incalculable good; but, as leisure is wanting to enable me to show in detail the benefits which it has conferred on the different provinces of India, and as there may be some who, while seeing clearly that there has been a large increase of expenditure, have not the opportunity of satisfying themselves that the expenditure was wisely incurred, and the means of meeting it obtained by judicious development of revenue, I cannot do better than quote the following passage from a statement of the progress made in Bengal during the term of the last provincial contract, which was put on record by Sir Ashley Eden in the year 1881.

Sir Ashley Eden was appointed Lieutenant Governor of Bengal at the time the Provincial contract of 1877–78 was being made, and he quitted the province in the last year of the contract. To him fell the responsibility of carrying it into effect, and it must have been with pardonable pride that in June 1881 he looked back on the progress that the province had made under his guidance.

I commend a study of his words to those who hold that financial decentralisation means simply increase of expenditure, and that in India increase of expenditure is financial extravagance.

"*That the system of decentralisation has been thoroughly successful in Bengal is sufficiently clear from the foregoing sketch. The revenues have rapidly increased, independently of any new taxation; useless expenditure has been curtailed; and funds have been made available for improvement under all branches of the Administration. All grades of the service have shown the deepest interest in increasing the resources of Government, under the belief that the surplus revenue would be available for the good of the province. The three heads of improvable revenue made over to the management of the Provincial Government, with an income of* 165¼ *lakhs in* 1876-77, *will stand with an income of not less than* 217¼ *lakhs in* 1881–82. *In the meanwhile the Lieutenant Governor has been able to carry out numerous works of improvement on his own responsibility, many of which, under the previous system, would*

would have been indefinitely postponed. Besides making a special contribution of 20 *lakhs to the Imperial Treasury in time of need, he has been able during these five years to increase the staff of executive and judicial officers; to provide increased facilities for the administration of justice; to increase the grant for education; to make grants-in-aid of district communications and of works of drainage, sanitation, and municipal improvement; to build schools, colleges, and hospitals; to replace the huts in which the public business was transacted, or prisoners were confined, by substantial masonry court-houses and jails; to spend* 20 *lakhs on railways which will bring in a large return,* 5½ *lakhs on tramways,* ¾ *of a lakh on a steamer service to improve communication with Assam, and* 2 *lakhs on a road to develope the trade with Thibet; to spend* 11 *lakhs on the first portion of a work which will develope the trade of Orissa and protect it from famine; and to spend* 38¼ *lakhs on improving navigation and providing a supply of pure water for the people. While* 77½ *lakhs have thus been expended on great measures of material improvement, and the expenditure on ordinary public works has been increased from* 25,12,000 *rupees in* 1877-78 *to* 63,53,000 *rupees, exclusive of expenditure on preliminary works of railway construction, in* 1881-82, *and while no legitimate outlay has been spared to strengthen every department of the Administration, the five years' period, which opened with a credit balance of* 2,88,000 *rupees only, will close with a credit balance of at least* 14,46,000 *rupees. When it is recollected that under the system which prevailed before* 1871 *every new charge required the sanction of the Imperial Government, that the decision on the demands of each province took no cognizance of the extent to which it had contributed to the general Exchequer, that nothing was to be gained by economy, because money left unspent by any one Government was practically lost to it, and only went to increase the amount to be scrambled for by all, some idea may be gained of the advantages which Bengal has reaped from the control of its own finances. There is no department of the service which has not felt the benefit of the financial independence conferred on the Government immediately responsible for its administration.*"

I can bear personal testimony to the vigorous financial control which existed in Bengal from 1877-78 to 1881-82, and to the judgment and vigour with which works of public improvement were pushed on as funds became available; but I am sure that even Sir Ashley Eden, under whom I had the honour of serving for a time, would be the first to admit that the marvellous progress which Bengal made in his time was due in the first place to the wise policy of decentralisation introduced many years before he was appointed to be Lieutenant Governor of Bengal.

I cannot believe that a policy which has produced such results would be deliberately condemned by anyone who had studied the past history of Indian finance and the progress recently made in solving at least some of the problems of Indian administration.

16 June 1883. *D. Barbour.*

APPENDIX II.

EXAMINATION in detail of the growth of REVENUE and EXPENDITURE since 1871-72 under each separate Head of Account.

MINUTE by the Honourable Sir *Evelyn Baring*, K.C.S.I.

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1. I append to this Minute a Statement (Appendix III.) prepared by Mr. Westland, the Comptroller General, entitled "Net Accounts, 1871-72 to 1883-84." The figures given by Mr. Westland agree generally with those given in Appendix III. to the Financial Statement for 1883-84. In Mr. Westland's explanatory note of 20th June 1883, which accompanies his Statement, he explains how he has dealt with the heads *Refunds and Drawbacks* and *Assignments and Compensations*. An examination of the figures in the Public Works Department since 1871-72 has rendered it possible to determine how much of the interest on the whole debt of India, which was shown in one figure as *Interest on Ordinary Debt* in the accounts of 1871-72 to 1875-76 (both years inclusive), is properly chargeable to the head of Productive Public Works. The amounts so chargeable have in the Comptroller General's Statement been transferred to appropriate heads under Productive Public Works from the head 1—*Interest on Ordinary Debt, excluding that charged to Productive Public Works*. This examination has also brought to light errors of classification in the early years (*i.e.*, in 1871-72 to 1878-79), and it has also shown that in the years 1873-74 to 1875-76 the revenue under *Miscellaneous* (Group E), and the expenditure under *Civil Buildings, &c.*, was unduly swollen by reason of outlay on Famine Relief Works having at first been met from provincial revenues, the charges being taken under *Civil Buildings, &c.* These amounts were subsequently recovered from Imperial Revenues by charge to *Famine Relief*, the recovery being credited under *Miscellaneous* (Group E). The errors in classification have been corrected, and the debits and their corresponding credits under Provincial eliminated. The above changes have

have introduced differences between this Appendix and Appendix III., and the net results to be obtained from the figures contained in the 13 years' Statement printed with the Financial Statement of 1883-84. The amounts transferred from Interest to Productive Public Works are 217,000 *l.*, 293,000 *l.*, 408,000 *l.*, 564,000 *l.*, and 734,000 *l.*, in the years 1871-72 to 1875-76. The debits and their corresponding credits eliminated are 229,000 *l.*, 802,000 *l.*, and 957,000 *l.*, in 1873-74 to 1875-76.*

A.—INTEREST.

2. Interest on Ordinary Debt.

000's omitted. £.1.=*Rs.* 10.

Year.	Expenditure.	Remarks.
1871–72	5,266	
1872–73	5,008	
1873–74	4,841	
1874–75	4,468	
1875–76	4,444	
1876–77	4,513	
1877–78	4,672	
1878–79	4,575	
1879–80	4,591	
1880–81	3,669	
Total - - - £.	46,047	
Average - - -	4,605	
1881–82	4,024	
1882–83 (*a*)	3,988	(*a*) Revised Estimate.
1883–84 (*b*)	3,824	(*b*) Budget Estimate.

3. It is necessary to explain that it was only from the year 1876-77 (inclusive) that in the Finance and Revenue Accounts the interest on debt incurred for Productive Public Works was distinguished from that paid on ordinary debt. An examination of the figures in the Public Works Department has, however, rendered it possible to determine how much of the interest on the whole debt of India, which was shown in one figure in the accounts of 1871–72 to 1875–76, belongs properly to the head of Productive Public Works. The amounts so chargeable are found to be 217,000 *l.*, 293,000 *l.*, 408,000 *l.*, 564,000 *l.*, and 734,000 *l.*, in the years 1871-72 to 1875-76 respectively, and for purposes of a valid comparison the table in paragraph 2 has been made to include only the interest charged on ordinary debt during the whole of the years under comparison. The figures of that table differ from the figures under 1—*Interest, &c.*, contained in the 13-year statement attached to the Financial Statement of 1883–84, by the amounts specified above, and which in this Minute appear under Productive Public Works (*see* paragraph 1).

4. There has been a real reduction of expenditure under this head since 1880-81, for 715,151 *l.* was applied to the reduction of debt in 1881–82, 1,330,200 *l.* was remitted home to the Secretary of State to be applied to the reduction of sterling debt in 1882–83, and a sum of 131,700 *l.* will, if there be no famine, be available for the reduction of debt in 1883–84, making in the three years a total of 2,177,051 *l.* The saving of interest on account of these reductions may be roughly stated at about 80,000 *l.* a year. (For further explanations on this subject, *see* paragraphs 54-69 of the Financial Statement for 1881-82, paragraph 91 of the Financial Statement for 1882-83, and paragraph 139 of Financial Statement for 1883–84.)

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* I may mention that I would reprint the 13-year statement at once and attach it to this Minute, but that in a recent Despatch, No. 196 (Financial), of 12th July 1883, the Secretary of State has suggested that certain alterations should be made in the classification as regards Refunds and Home Charges. This will be a work of some time. It will be better, therefore, to let the matter stand over and to annex a revised copy, containing all the corrections, to the next Financial Statement. I ought also to mention that small differences, amounting to never more than 1,000 *l.*, between the figures given in this Minute and in the Comptroller General's Statement (Appendix III.) would disappear if, in both cases, the total figures were given. It will be seen that in each case three cyphers have been omitted, thus making some slight differences in adding up the hundreds, tens, and units.

5. INTEREST ON DEPOSITS.

000's omitted. £. 1.=*Rs.* 10.

YEAR.	Expenditure.	REMARKS.
	£.	
1871–72	483	
1872–73	556	
1873–74	541	
1874–75	380	
1875–76	387	
1876–77	395	
1877–78	359	
1878–79	379	
1879–80 (*a*)	382	(*a*) Interest on savings banks deposits raised to $4\frac{1}{6}$ per cent. in December 1879.
1880–81	414	
TOTAL £.	4,276	
Average	428	
1881–82 (*b*)	534	(*b*) Interest on savings banks deposits reduced to $3\frac{3}{4}$ per cent. in May 1881.
1882–83 (*c*)	462	(*c*) Revised Estimate.
1883–84 (*d*)	440	(*d*) Budget Estimate.

6. The expenditure under this head in 1881–82 (534,000 *l.*) was exceptionally high, being 106,000 *l.* in excess of the average of the preceding 10 years, and 120,000 *l.* in excess of the expenditure of the year 1880–81. This high expenditure was due to the following causes. On 29th December 1879 the interest paid by Government to savings banks depositors was increased from $3\frac{3}{4}$ to $4\frac{1}{6}$ per cent. This change made itself felt to some extent in 1880-81, and to a much greater extent in 1881–82. The balance in the savings banks on 31st March 1880 was 2,282,000 *l.** On 31st March 1881 it was 3,165,000 *l.*† The increase of about 900,000 *l.* in the balances of course caused a corresponding increase in the payment on account of interest. The whole of the increase under this head is not, however, due to the enhancement of the rate of interest on savings bank deposits. Before 1881–82 it was the practice to charge the interest on the Presidency Savings Banks deposits in the year succeeding that for which it was due. Since 1881–82 the interest has been charged in the same year in which the credit was given in the detailed banking accounts. This entailed an apparent increase of expenditure in 1881–82 amounting to about 86,000 *l.* (*see* Appropriation Report for 1881–82, Section A 2). The increase under savings banks accounts for by far the greater part of the 120,000 *l.* by which the total expenditure of 1881–82 under *Interest on Deposits* exceeded that of 1880-81. There is, however, a small balance, which is due to the fluctuations on account of interest paid upon Service Funds.

7. In 1882–83 the estimated expenditure is 462,000 *l.*, being 72,000 *l.* less than the expenditure of 1881-82, and 48,000 *l.* more than the expenditure of 1880-81. The diminution of expenditure as compared to 1881–82 is partly due to the fact that on 9th May 1881 the interest on savings banks deposits was again reduced to $3\frac{3}{4}$ per cent. In spite of this reduction, however, the amount of deposits on 31st March 1882 was 3,222,000 *l.*, ‡ as compared with 3,165,000 *l.* on 31st March, 1881, and 2,282,000 *l.* on 31st March 1880. The expenditure is, therefore, of course higher than that of 1880–81. This is no cause for regret, but, on the contrary, one for congratulation. The extraordinary charge of 86,000 *l.*, to which I have already alluded (para. 6), did not, of course, recur in 1882-83.

8. The reduction of expenditure in 1883-84, during which year it is estimated at 440,000 *l.*, is due to the abolition of the Civil Service Provident Fund in Bombay, which will cause a reduction of expenditure of about 38,000 *l.* This reduction is, however, only nominal. There is a corresponding increase under the head of *Superannuations*. On the other hand, savings banks deposits are expected to increase, leaving a net reduction of 22,000 *l.* as compared with the estimated expenditure of 1882-83.

* *Finance and Revenue Accounts*, 1879–80, p. 160.
† *Ibid*, 1880–81, p. 158.
‡ *Ibid*, 1881–82, p. 164.

Ba.—REVENUE AND EXPENDITURE CONNECTED WITH DISTRICT ADMINISTRATION.

9. Land Revenue.

000's omitted. £. 1.=*Rs.* 10.

YEAR.	Gross Revenue.	Deductions.		Total Deductions.	Revenue after Deductions. Difference of Columns 1 and 4.	Remarks.
		Refunds.	Assignments and Compensations.			
	1.	2.	3.	4.	5.	
	£.	£.	£.	£.	£.	
1871–72	20,532	42	769	811	19,721	
1872–73	21,375	79	813	892	20,483	
1873–74	21,060	55	782	837	20,223	
1874–75	21,332	56	809	865	20,467	
1875–76	21,541	98	801	899	20,642	
1876–77	19,891	58	797	855	19,036	
1877–78	20,048	46	767	813	19,235	
1878–79 (*a*)	22,324	52	782	834	21,490	(*a*) In this and subsequent years the *Portion of Land Revenue due to Irrigation* is excluded from the figures in Column 1.
1879–80	21,861	54	753	807	21,054	
1880–81	21,113	47	741	788	20,325	
Total £.	211,077	587	7,814	8,401	202,676	
Average	21,108	59	781	840	20,268	
1881–82	21,948	48	764	812	21,136	
1882–83 (*b*)	21,700	169	759	928	20,772	(*b*) Revised Estimate.
1883–84 (*c*)	21,793	48	752	800	20,993	(*c*) Budget Estimate.

10. There are several methods which it is possible to adopt in comparing the figures as regards *Land Revenue*. It does not much matter which system is adopted, provided the basis of comparison be thoroughly understood. In order to make my figures tally with those in the Comptroller General's Statement (Appendix III.), I have arranged them so as to bring out the same results as those obtained by Mr. Westland.

11. The first column in the table given above shows the gross *Land Revenue*. Up to and including the year 1877–78 the figures show the total gross revenue. Subsequent to that year the *Portion of Land Revenue due to Irrigation* has been shown separately under *Revenue from Productive Public Works*. In 1878-79 and subsequent years, therefore, the total given above does not show the total gross revenue. If the *Portion of Land Revenue due to Irrigation* were included in these latter years, the figures would stand as follows:—

000's omitted. £. 1.=*Rs.* 10.

YEAR.	Land Revenue as per Column 1 of Table in para. 9.	Portion of Land Revenue due to Irrigation.	Total Land Revenue (Gross).	Remarks.
	£.	£.	£.	
1878–79	22,324	127	22,451	
1879–80	21,861	602	22,463	
1880–81	21,113	797	21,910	
1881–82	21,948	491	22,439	
1882–83 (*a*)	21,700	532	22,232	(*a*) Revised Estimate.
1883–84 (*b*)	21,793	546	22,339	(*b*) Budget Estimate.

12. Turning again to the table in para. 9, the reasons for deducting the refunds in Column 2 are obvious. The large amount refunded in 1882-83 (169,000 *l.*) is due to some considerable remissions of *Land Revenue* which were given in Bombay. The amounts, having been collected, had to be refunded.

13. Column 3 shows the deductions on account of *Assignments and Compensations*. This column requires a few words of explanation. A considerable amount of land is held revenue-free in Bombay. Instead, however, of dealing with the matter as a net transaction, it has been for many years the custom to credit the Government with the amount

of *Land Revenue*, and to enter a corresponding debit under the head of *Assignments and Compensations*. The amounts repaid under this head do not, of course, vary greatly. Of late years they have tended slightly to diminish.

14. Column 5 shows the total gross revenue after deductions on account of *Refunds* and *Assignments and Compensations*.

15. For reasons to which I will presently allude (paragraphs 28-29), the net *Land Revenue* is not given in this table. The expenditure on account of collecting the *Land Revenue* will be treated separately.

16. Sir John Strachey* points out that "the amount of *Land Revenue* collected between "1876-77 and 1879-80 was so greatly disturbed by remissions or postponements of the "demand, made in consequence of famine, that no comparisons can usefully be made "between the figures of particular years." The accuracy of this statement will be sufficiently obvious, if reference be made to the figures given in column 5 of the table in paragraph 9. In 1876-77 the *Land Revenue* amounted to only 19,036,000 *l.*, and in 1877-78 to 19,235,000 *l.* In 1878-79 it sprung up to 21,490,000 *l.* Without attempting, therefore, any very accurate comparison, it may be said that the *Land Revenue* shows a steady tendency to increase. In 1881-82 it amounted to 21,136,000 *l.*, a figure somewhat exceptionally high, owing to the collection of arrears. In 1882-83 the estimated revenue is 20,772,000 *l.* The preliminary actuals, which have now been received, show that about 105,000 *l.* was collected up to 31st March 1883 in excess of the Revised Estimate. The estimated revenue of 1883-84 is 20,993,000 *l.*

17. STAMPS (EXCLUDING COURT FEES).†

000's *omitted*. £. 1. = *Rs.* 10.

YEAR.	General Stamp Revenue. 1.	Portion of Expenditure Debitable to General Stamp Revenue.‡ 2.	Net Revenue. Difference of Columns 1 and 2. 3.
	£.	£.	£.
1871-72	836	32	804
1872-73	881	31	850
1873-74	869	37	832
1874-75	860	55	805
1875-76	860	43	817
1876-77	854	38	816
1877-78	929	41	888
1878-79	960	49	911
1879-80	1,049	48	1,001
1880-81	1,065	44	1,021
TOTAL - - - £.	9,163	418	8,745
Average - - - -	916	42	874
1881-82	1,080	44	1,036
1882-83 (Revised Estimate)	1,080	49	1,031
1883-84 (Budget Estimate)	1,085	40	1,045

18. The revenue from *Stamps* has been steadily growing year by year, and with the growth of revenue the expenditure increases slightly. The average expenditure during the 10 years ending with 1880-81 was 4·58 per cent. of the gross revenue. The expenditure of the three years 1881-82, 1882-83, and 1883-84 should be taken together, the expenditure in 1881-82 having been somewhat curtailed by reason of the preparation of new patterns of stamped papers in England, which were supplied in 1882-83, and thus caused the expenditure of that year to be somewhat abnormally high, whilst the expenditure of 1881-82 and 1883-84 (Budget Estimate) is abnormally low. The average expenditure of the three years is 44,000 *l.*, being 4·07 per cent. of the gross revenue. This is only 2,000 *l.* above the average of the 10 years ending with 1880-81, and is the same as the expenditure for 1880-81. The figures are very satisfactory. The revenue has been growing much more rapidly than the expenditure, which, indeed, may be said to be almost stationary.

* *The Finances and Public Works of India*, p. 27.

† These figures of Revenue and Expenditure do not agree with those given in Appendix III. to the Financial Statement for 1883-84. The Comptroller General's note attached to his net accounts (*see* Appendix III.) shows how the Revenue and Expenditure under *Stamps* has been divided between *Law and Justice* and Revenue and Expenditure on account of *General Stamp Duties*.

‡ One-half of the total expenditure on "Other Charges" has been debited to the General Stamp Revenue (*see* Mr. Westland's explanatory note of 20th June, and his "Subsidiary Statement").

19. EXCISE.

000s *omitted.* £.1 = *Rs.* 10.

YEAR.	Gross Revenue. 1.	Refunds and Assignments and Compensations. 2.	Revenue, after deduction of Refunds, &c. 3.	Expenditure. 4.	Net Revenue. Difference of Columns 3 and 4. 5.
	£.	£.	£.	£.	£.
1871-72	2,370	1	2,369	140	2,229
1872-73	2,325	2	2,323	134	2,189
1873-74	2,288	2	2,286	98	2,188
1874-75	2,347	4	2,343	92	2,251
1875-76	2,494	3	2,491	87	2,404
1876-77	2,524	6	2,518	91	2,427
1877-78	2,458	2	2,456	99	2,357
1878-79	2,619	6	2,613	88	2,525
1879-80	2,838	13	2,825	111	2,714
1880-81	3,135	45	3,090	95	2,995
TOTAL - - - £.	25,398	84	25,314	1,035	24,279
Average - - -	2,539	8	2,531	103	2,428
1881-82	3,427	49	3,378	97	3,281
1882-83 (Revised Estimate)	3,615	70	3,545	95	3,450
1883-84 (Budget Estimate)	3,623	50	3,573	94	3,479

20. It is evident that, so far as *Excise* is concerned, no case of extravagant expenditure can be made out. The average expenditure of the 10 years ending with 1880-81 was 103,000 *l.* a year. The expenditure of the last year of the decade (1880-81) was 95,000 *l.* The expenditure of 1881-82 was only 97,000 *l.* The estimated expenditure of 1882-83 is 95,000 *l.*, and that of 1883-84, 94,000 *l.* The expenditure has, therefore, been slightly diminishing, whilst the gross revenue (column 3) has been very largely increasing, the increase in 1881-82 being no less than 847,000 *l.*, that of 1882-83 (Revised Estimate) 1,014,000 *l.*, and that of 1883-84 (Budget Estimate) 1,042,000 *l.*, over an average of the 10 years ending with 1880-81.

21. PROVINCIAL RATES.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Gross Revenue. 1.	Refunds. 2.	Revenue, after deduction of Refunds. 3.	Expenditure. 4.	Net Revenue. Difference of Columns 3 and 4. 5.
	£.	£.	£.	£.	£.
1871-72	1,637	- -	1,637	12	1,625
1872-73	1,893	6	1,887	48	1,839
1873-74	1,835	32	1,803	37	1,766
1874-75	1,873	22	1,851	41	1,810
1875-76	1,947	56	1,891	53	1,838
1876-77	1,930	56	1,874	52	1,822
1877-78	2,256	33	2,223	66	2,157
1878-79	2,639	30	2,609	64	2,545
1879-80	2,882	8	2,874	48	2,826
1880-81	2,776	9	2,767	46	2,721
TOTAL - - - £.	21,668	252	21,416	467	20,949
Average - - -	2,167	25	2,142	47	2,095
1881-82	2,896	14	2,882	53	2,829
1882-83 (Revised Estimate)	2,668	7	2,661	51	2,610
1883-84 (Budget Estimate)	2,688	6	2,682	51	2,631

22. The changes which have been made since 1871-72 in the laws under which the *Provincial Rates* are levied render any comparison with the average of past years of little value. Thus the apparent falling off in the revenue of 1882-83 and 1883-84, compared with the years immediately preceding, is due to the remission of the patwari cess in the North-Western Provinces, which formerly brought in revenue to the extent of 241,000 *l.* a year (*see* paragraph 59 of Financial Statement for 1882-83). In reality, the revenue shows a moderate but steady tendency to increase, especially in Bengal, where re-valuations are taking place. A glance at the figures is sufficient to show that no case of extravagant expenditure during the last three years can be made out. The average expenditure for the 10 years ending with 1880-81 (column 4) was 2·2 per cent. of the gross revenue after deduction of Refunds (column 3). In 1881-82 the percentage was only 1·84. In 1882-83 the percentage is estimated at 1·91, and in 1883-84 at 1·90. The expenditure has, in fact, been growing at a less rapid rate than the revenue.

23. The increase of expenditure in 1881-82 over that of 1880-81 occurs almost entirely in Bengal, where, as I have already mentioned, re-valuations are in progress. The estimated expenditure of 1882-83 and 1883-84 is less than the actual expenditure of 1881-82 by 2,000 *l.*

24. ASSESSED TAXES.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Gross Revenue. 1.	Refunds. 2.	Revenue, after deduction of Refunds. 3.	Expenditure. 4.	Net Revenue. Difference of Columns 3 and 4. 5.
	£.	£.	£.	£.	£.
1871-72	852	25	827	30	797
1872-73	602	6	596	13	583
1873-74	34	3	31	2	29
1874-75	20	2	18	-	18
1875-76	15	-	15	-	15
1876-77	15	-	15	1	14
1877-78	102	4	98	1	97
1878-79	901	26	875	38	837
1879-80	785	59	726	30	696
1880-81	559	31	528	21	507
TOTAL - - - £.	3,885	156	3,729	136	3,593
Average - - -	389	16	373	14	359
1881-82 - - - -	537	29	508	13	495
1882-83 (Revised Estimate) - -	526	22	504	14	490
1883-84 (Budget Estimate) - -	523	19	504	14	490

25. This is a case in which any comparison with the average of preceding years is peculiarly fallacious. It is impossible, for instance, to make any comparison between the figures for the year 1881-82, when the present License Tax was in existence, and those for 1871-72, when there was an Income Tax, or those for 1874-75, when there was no direct taxation at all, or those for 1878-79, when the License Tax was levied under a different system from that which now exists. It is clear, however, that there has been no increase of expenditure. On the contrary, as compared with the year 1880-81, when the License Tax in its present form was in existence, there has been a reduction of expenditure (column 4) amounting to 8,000 *l.* in 1881-82, and to 7,000 *l.* in each of the years 1882-83 (Revised Estimate) and 1883-84 (Budget Estimate). Certain establishments were, in fact, abolished after the revision of assessments in 1880-81.

26. It will be seen that the revenue has been retrograding slightly since 1880-81. This is due to the fact that no special measures are taken to raise assessees to higher classes than those in which they were formerly taxed, or to bring under assessment persons who have for the first time become liable to assessment, whilst, at the same time, the progress of remission and reduction goes on steadily.

27. General Charges of District Administration.

000s *omitted.* £. 1 *Rs.* 10.

Year.	Expenditure.	Remarks.
	£.	
1871-72	2,808	
1872-73	2,825	
1873-74	2,867	
1874-75	2,865	
1875-76	2,951	
1876-77	2,899	
1877-78	2,943	
1878-79	2,960	
1879-80	2,937	
1880-81	2,984	
Total - - - £.	29,039	
Average - - -	2,904	
1881-82	3,004	
1882-83 (*a*)	3,056	(*a*) Revised Estimate.
1883 84 (*b*)	3,212	(*b*) Budget Estimate.

28. The expenditure which is entered in the Comptroller General's statement as *General Charges of District Administration*—a title which I have adopted for the foregoing table—is the same as that which appears in the Accounts and Estimates as 5—*Charges in respect of Collection of Land Revenue.* The nomenclature of the Comptroller General is, indeed, the more accurate of the two. The following extract from Sir John Strachey's recent work* will explain why the expenditure entered under *Charges in respect of Collection of Land Revenue* does not accurately represent the amount spent in collecting the Land Revenue :—

"The head *Land Revenue* has been exhibited in the statements given in the Appendix, "both on the Revenue and Expenditure side of the account, instead of appearing net on "the Revenue side only, because the expenditure recorded under the head *Land Revenue* "does not truly or exclusively represent the cost of collecting that revenue, but is "incurred, to a large extent, for the internal general administration. There are "numerous departments of the public service which are administered by the Collectors "of the Land Revenue, the connection of which with that revenue is only indirect. The "greater part of the direct charges connected with the actual collection of the Land "Revenue does not appear in the accounts at all.† They form a part of the village "expenses, and in most provinces, though assessed with the Land Revenue, are paid "directly by the landholders to the village servants. A portion of the salaries of the "District Officers is now shown under the head *Law and Justice*, on the ground that they "have also magisterial duties to perform, the division of the charges between *Land Revenue* "and *Law and Justice* being, however, quite arbitrary. In most provinces a moiety is "charged under each head, but in Madras four-fifths is charged to *Land Revenue*, and "one-fifth to *Law and Justice*. These arrangements are complicated and misleading, and "it would be an improvement if the expenditure on account of the salaries of the District "Officers and their establishments, now recorded under *Land Revenue* and *Law and* "*Justice*, were shown under the general head *Administration*."

29. It is for the reason thus stated by Sir John Strachey that I did not give the net Land Revenue in paragraph 9.

30. It will be seen on reference to the table in paragraph 27 that, although the expenditure of one year has been occasionally less than that of the year immediately preceding, the general tendency has been towards an increase of expenditure. This is only what is to be expected. As the land revenue grows, the cost of collection must of necessity also grow; and, moreover, as population increases and the material development of the country proceeds, an increase of expenditure on account of District Administration is unavoidable.

31. In 1871-72 the expenditure stood at 2,808,000 *l.* In 1880-81 it stood at 2,984,000 *l.* The increase was, therefore, 176,000 *l.* in nine years, or at the rate of about 20,000 *l.* a year.

32. In

* *The Finances and Public Works of India*, p. 38.

† Since Sir John Strachey wrote this, charges on account of collection in Oudh, amounting to about 85,000 *l.* a year, have been added to the Government expenditure.

32. In 1881-82 the expenditure was 3,004,000 *l.* This is 100,000 *l.* above the average expenditure of the 10 years ending with 1880-81, but only 20,000 *l.* above the expenditure of 1880-81 (2,984,000 *l.*). In other words, the normal rate of growth was preserved. Of this increase, moreover, 6,000 *l.* occurred in Burmah under the head of *Commissions on Land Revenue Collections*. Of course, as the Land Revenue increases, the amount paid on account of commissions must also increase. An increase of expenditure under this head is no matter for regret. Some heavy arrears were collected in Burmah in 1881-82. The total amount collected in 1880-81 was 899,000 *l.* In 1881-82 it was 1,052,000 *l.*

33. The expenditure in 1882-83 is estimated at 3,056,000 *l.* If we allow 20,000 *l.* a year as the normal growth, the expenditure should have been 3,024,000 *l.* The increase was, therefore, 32,000 *l.* in excess of what might have been expected, judging from the experience of past years. The total increase over 1880-81 is 72,000 *l.*

34. This increase is partly due to further heavy collections of arrears of Land Revenue in Burmah. The estimated amount to be paid on *Commissions* in Burmah is 14,000 *l.* in excess of the expenditure of 1880-81. An increase of expenditure on this account is, as I have already pointed out (paragraph 32), no matter for regret. The cost of *Allowances to District and Village Officers* in Madras, which are paid from local funds, is 15,000 *l.* in excess of that of 1880-81. These payments had been allowed to fall into arrear. An increase of 25,000 *l.* is due to the reorganisation of the subordinate executive services. The increase on this latter account was only partially felt in 1882-83, as in many provinces the reorganisation was not carried out till 1883-84. As to the necessity of this reorganisation, I dealt so fully with the question in the Financial Statement for 1882-83 (paragraphs 22-36), that I need say very little now.* The necessity was, I think, universally recognised. The total additional cost of reorganising the subordinate executive services only will be about 45,000 *l.* a year, of which, as I have already explained (paragraph 28), a portion is debited to *Land Revenue*, and a portion to *Law and Justice*. The money will be well spent. It is a mistake to suppose that it is economical to employ officials on very low salaries to perform highly responsible duties. Yet this is what was frequently done before the reorganisation took place.

35. The estimated expenditure of 1883-84 is 3,212,000 *l.* This amount is 156,000 *l.* in excess of the estimated expenditure of 1882-83 (3,056,000 *l.*), and 228,000 *l.* in excess of the expenditure of 1880-81 (2,984,000 *l.*). Taking the normal rate of growth at 20,000 *l.*, the expenditure, by comparison with 1880-81, should have been 3,044,000 *l.* It is estimated at 168,000 *l.* in excess of that amount. The increase is due to the following causes.

36. It was explained in the Financial Statement for 1882-83 (paragraphs 60-63), that formerly patwaris and kanungoes in Oudh were paid by the landlords. In March 1882 it was resolved that for the future they should be paid by the State. This transaction was really tantamount to a remission of taxation, which took the form of increased State expenditure. The amount of taxation thus remitted was 75,000 *l.* a year.†

37. The real increase of expenditure over 1880-81 was not, therefore, 228,000 *l.*, as stated in paragraph 35, but (228,000 *l.*—75,000 *l.*) 153,000 *l.* This increase is accounted for in the following manner.

38. The establishment of kanungoes taken over from the landlords in Oudh was altogether insufficient for purposes of supervision. I pointed out in the Financial Statement for 1882-83 (paragraph 61) that in Oudh there was only one kanungo for 258 villages. In the North-Western Provinces the average number of patwari circles in charge of a kanungo is about 40, and this is generally considered to be too large for efficiency. It became necessary, therefore, to revise the establishment of kanungoes in Oudh, at a cost of about 10,000 *l.* a year.

39. I may here remark that it became also necessary to increase the establishment of patwar in the North-Western Provinces.

40. Settlement operations were commenced in two districts of the North-Western Provinces (Benares and Goruckpore), causing an increase of expenditure amounting to 14,000 *l.*

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*Allusion was made to the importance of the classes affected by the reorganisation in the following terms:—"Both from the political and administrative point of view, the class of Deputy Collectors is "one of very great importance. A large proportion of the sub-divisional charges of British India is "in their hands. The sub-divisional officer is the man upon whom, in quiet times, the Government "has to rely for efficient and equitable administration, and, in time of famine or disturbance, for energy, "resource, and fortitude. Whether recruited from among the Tahsildar and Sub-Deputy class, or "directly from without, they ought to be the cream of that portion of the Native community who "are willing to embrace an official career. To fulfil this requirement, they ought to receive sufficient "pay throughout their career. The Tahsildars, Mamlatdars, Sub-Deputies, and other similar officers, "however designated, are also a class entrusted with very considerable powers, revenue, magisterial, "civil, or all combined, as the case may be. A large proportion of the disputes which arise between "man and man in ordinary life are decided by them, and go no further." (*Financial Statement for* "1882-83, paragraphs 23-24.) The Famine Commissioners also said (*Report*, Part II., page 105): "We "think that the attention of the Government should be given to the improvement of the Subordi-"nate Native Agency employed in the numerous Public Departments."

† Full provision for this amount was made in the Budget Estimate for 1882-83, but it was not found possible to carry out the change in its entirety until 1883-84. The Revised Estimate for 1882-83 was, therefore, to some extent reduced, but the full charge appears again in the Budget Estimate for 1883-84.

14,000 *l.* The settlement of the Barak country and survey of the Hissar district, which were also undertaken in the Punjab, involved an additional expenditure of 4,000 *l.*

41. In Madras the payments on account of *Allowances to District and Village Officers* were 21,000 *l.* in excess of those of 1880-81. These payments, as I have already mentioned (paragraph 34), had been allowed to fall into arrear. A new district (Anantapur) was also created in Madras, causing additional expenditure to the extent of 7,000 *l.** There was also in Madras an increase of 11,000 *l.* for "Land settlement charges."

42. The estimated increase of 228,000 *l.* in 1883-84 over the actual expenditure of 1881-82 may, therefore, be accounted for in the following manner :—

	£.
Remission of taxation in Oudh	75,000
Revision of Patwari and Kanungo establishments in Oudh	10,000
New settlement operations (Benares, Goruckpore, Barak)	18,000
Allowances to district and village officers in Madras	21,000
Creation of a new district in Madras	7,000
Additional land settlement charges in Madras	11,000
Reorganisation of the subordinate executive service, about†	30,000
Other causes	56,000
TOTAL £.	228,000

Bb.—REVENUE AND EXPENDITURE ADMINISTERED BY SEPARATE DEPARTMENTS.

43. OPIUM.

000s *omitted.* £.1 = *Rs.* 10.

YEAR.	Gross Revenue. 1.	Refunds. 2.	Revenue, after deduction of Refunds. 3.	Expenditure. 4.	Net Revenue. Difference of Columns 3 and 4. 5.
	£.	£.	£.	£.	£.
1871-72	9,254	-	9,254	1,597	7,657
1872-73	8,685	-	8,685	1,814	6,871
1873-74	8,325	-	8 325	2,001	6,324
1874-75	8,557	-	8,557	2,342	6,215
1875-76	8,472	1	8,471	2,219	6,252
1876-77	9,122	-	9,122	2,842	6,280
1877-78	9,183	-	9,183	2,661	6,522
1878-79	9,399	2	9,397	1,699	7,698
1879-80	10,319	2	10,317	2,068	8,249
1880-81	10,480	-	10,480	2,029	8,451
TOTAL £.	91,796	5	91,791	21,272	70,519
Average	9,180	·5	9,179	2,127	7,052
1881-82	9,862	2	9,860	2,057	7,803
1882-83 (Revised Estimate)	9,562	-	9,562	2,345	7,217
1883-84 (Budget Estimate)	9,200	-	9,200	2,165	7,035

44. I dealt so fully with the opium question in the Financial Statement for 1882-83 (paragraphs 135-193), and in the statement for 1883-84 (paragraphs 195-207), that I need not refer to it at any length now. I will only say that the expenditure is mainly governed by causes which are wholly beyond the control of Government; and further, that a low expenditure is a matter for regret, as it shows that there has been a short poppy crop in Bengal,

* The Famine Commissioners (*Report*, Part II., Chap. 2) said—"The efficiency of the administration in "the Madras Presidency suffers also from the large area of some of its districts, which are more than "double the size of the districts in other provinces. We trust that further delay will not be permitted, but "that what is requisite will be speedily done, since it is impossible to doubt the urgent necessity for the "change."

† I have not gone into the precise distribution of this charge between *Land Revenue* and *Law and Justice*, which would be a complicated matter to calculate out; but, as I have already said (paragraph 34), the total cost is 45,000 *l.*, of which I have allowed 30,000 *l.* to *Land Revenue*.

Bengal, and that, therefore, a diminished revenue in subsequent years is to be anticipated. As a matter of fact, the expenditure (column 4) in 1881-82 fell below the average of the 10 preceding years by 70,000 *l.*; and, although the estimated expenditure in 1883-84 is entered as 2,165,000 *l.*, being 38,000 *l.* in excess of the average, I do not doubt that, owing to the fact that the crop has turned out worse than was anticipated last March, the expenditure will be considerably below the average. In 1882-83 the expenditure (2,345,000 *l.*) was higher than that of 1881-82, because the poppy crop was somewhat better than the average. But the Government cannot take credit for economical administration if the expenditure is low, neither can any charge of extravagance be made if the expenditure is high.

45. Provision has been made in the estimates for 1883-84 for a sum of 5,800 *l.*, being the cost of reorganising the subordinate establishments in Bengal. A revision of the scale of salaries was strongly recommended by the Local Government, and there can be no doubt that it was much required. In all probability the increase of revenue, which will result from greater efficiency, will more than cover the additional expenditure.

46. SALT.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Gross Revenue.	Deductions.		Total Deductions.	Revenue, after deduction. Difference of Columns 1 and 4.	Expenditure (including Cost of Production).	Net Revenue. Difference of Cols. 5 and 6.
		Refunds.	Assignments and Compensations.				
	1.	2.	3.	4.	5.	6.	7.
	£.	£.	£.	£.	£.	£.	£.
1871-72	5,968	34	44	78	5,890	478	5,412
1872-73	6,167	46	45	91	6,076	478	5,598
1873-74	6,153	26	45	71	6,082	480	5,602
1874-75	6,229	30	45	75	6,154	464	5,690
1875-76	6,246	38	45	83	6,163	509	5,654
1876-77	6,306	31	45	76	6,230	489	5,741
1877-78	6,461	42	34	76	6,385	546	5,839
1878-79	6,941	34	204	238	6,703	405	6,298
1879-80	7,266	30	324	354	6,912	340	6,572
1880-81	7,116	141	345	486	6,630	364	6,266
TOTAL £.	64,853	452	1,176	1,628	63,225	4,553	58,672
Average	6,485	45	118	163	6,322	455	5,867
1881-82	7,376	45	311	356	7,020	486	6,534
1882-83 (Revised Estimate)	6,129	50	353	403	5,726	499	5,227
1883-84 (Budget Estimate)	6,167	25	350	375	5,792	546	5,246

47. It will be seen, on reference to column 3 of this table, that a large increase of expenditure under *Assignments and Compensations* took place in 1878-79 and 1879-80. Up to and including 1878-79 the expenditure under this head was generally about 45,000 *l.* a year. In 1878-79 it was 204,000 *l.* In 1879-80 it was 324,000 *l.* In 1880-81 it was 345,000 *l.* Since 1880-81 the average expenditure under this head is estimated at about 338,000 *l.* The large increase in 1878-79 was due to the abolition of the Northern Customs Line, which necessitated heavy payments being made to the Native Princes of Rajputana and Central India. The reform was one which conferred great benefits on the country. There was, moreover, no real increase of expenditure. On the contrary, it will be seen by reference to column 7 that the net revenue, which in 1877-78 stood at 5,839,000 *l.*, rose in 1878-79 to 6,298,000 *l.*

48. Turning to column 6, it will be seen that in 1881-82 the expenditure amounted to 486,000 *l.*, being 31,000 *l.* above the average of the preceding 10 years (455,000 *l.*), and 122,000 *l.* above the expenditure of the year 1880-81 (364,000 *l.*). Almost the whole of this increase is nominal. It is due to the following causes. Shortly before the commencement of the year 1881-82, a system of Government depôts was introduced in Northern India. Under this system the Government paid the carriage and freight of salt from the salt sources to the depôts, and added a corresponding charge to the selling price. The increase of expenditure is, therefore, balanced by a corresponding increase of revenue. The charge on account of "Salt Purchase and Freight" in Northern India in 1880-81 was only 2,040 *l.* The charge on account of "Carriage and Freight" in 1881-82 in Northern India was 75,135 *l.** This accounts for an increase of 73,095 *l.*, which, as I have already mentioned, is only nominal.

49. Again,

* See *Finance and Revenue Accounts* for the years 1880-81 (p. 30) and 1881-82 (p. 32).

49. Again, the charge on account of "Manufacture and Storage" in Northern India in 1880–81 was 9,263 *l.* This charge, of course, varies according to the yield of the salt sources. A low charge is a matter for regret, as it shows that a relatively small amount of salt has been turned out. The charge on this account in 1881–82 was 30,039 *l.* This accounts for an excess of 20,776 *l.* in 1881-82 over 1880–81.

50. The charge on account of "Cost of Purchase and Freight of Salt" in Bombay in 1880-81 was 16,114 *l.* This charge is, of course, also nominal, as the whole of it is recovered in the selling price of salt. The charge under the same head in 1881–82 was 29,970 *l.* This accounts for a further increase of 13,856 *l.* in 1881-82 over the expenditure of 1880–81.

51. The charge on account of "Petty Construction and Repairs" in Northern India for 1880-81 was only 3,439 *l.* The charge in 1881–82 was 18,851 *l.*, showing an increase of 15,412 *l.* The increase is due to the construction of sheds at the Sambhur lake and elsewhere, which were much required in order to preserve the salt from damage.

52. The total increase of expenditure in 1881-82 over 1880-81, which, as I have already mentioned (paragraph 48), was 122,000 *l.*, may, therefore, be accounted for as follows:—

	£.
Carriage and freight in Northern India - - -	73,095
Manufacture and Storage in Northern India - -	20,776
Cost of purchase and freight of salt in Bombay - -	13,856
Petty construction and repairs in Northern India -	15,412
TOTAL - - - £.	123,139

53. The estimated expenditure of 1882–83 is 499,000 *l.*, being 13,000 *l.* in excess of that of 1881-82 (486,000 *l.*). The increase is mainly the net result of the following changes. In Madras there is an increase of 24,000 *l.*, mainly due to the reorganisation of the Salt Department, to which I will presently allude (paragraph 55). In Bombay there is an increase of 5,700 *l.*, mainly due to the creation of preventive establishments to check smuggling from the Kathiawar Peninsula into British territory. Negotiations with the Kathiawar Princes, with a view to the possible suppression of the salt sources in the Peninsula, were carried on for some while. Eventually it was decided that the salt sources should not be suppressed, but that the preventive establishments should be strengthened. These two charges, namely, 24,000 *l.* and 5,700 *l.*, account for an increase of 29,700 *l.* On the other hand, there has been a nominal decrease of expenditure in Northern India of 20,700 *l.*, due to the partial abandonment of the depôt system, to which I have already alluded (paragraph 48). The net result of these, and some other minor changes to which I need not allude, is that the estimated expenditure of 1882-83 has been increased by 13,000 *l.* over that of 1881–82.

54. The estimated expenditure in 1883–84 is 546,000 *l.*, being 47,000 *l.* in excess of the estimated expenditure in 1882-83 (499,000 *l.*). This increase is due to the following causes.

55. I have already mentioned (para. 53) that there is an estimated increase of expenditure in Madras in 1882-83 over 1881-82 amounting to 24,000 *l.*, on account of increased preventive establishments. There is a further estimated increase on this account in Madras in 1883–84 over 1882-83, amounting to 23,000 *l.*, making a total in the two years of 47,000 *l.* A portion of this increase, however, is only nominal. Establishments formerly belonging to the Police, which undertook preventive duty, have been absorbed into the establishments of the Salt Department. There has been in Madras a decrease under the head of *Police* to the extent of 12,000 *l.* a year. The real net increase, therefore, is not 47,000 *l.* in the two years, but (47,000 *l.*—12,000 *l.*) 35,000 *l.* It cannot be doubted that in past years there has been a very large illicit consumption of salt in the Madras Presidency, and there is every prospect that the strengthening of the preventive establishments will lead to an increase of revenue. In the Financial Statement for 1883-84 (paras. 101 and 106), I alluded to the large increase in the consumption of salt in Madras, amounting in the 11 months from 1st March 1882 to 31st January 1883 to no less than 14·29 per cent. over the corresponding period of the previous years. This increase is, of course, partly due to the reduction of duty, and also partly to the fact that Madras salt has to some extent displaced the salt heretofore supplied from Pooree in Orissa. It cannot be doubted, however, that a portion of this increase is due to the increased efficiency of the preventive establishments, and it may reasonably be expected that when the reorganisation is complete the licit consumption of salt in Madras will

grow even more rapidly than at present. The following figures show the increase of consumption since 1st March 1882, as compared with the corresponding period of the year 1881–82 :—

Period.	Thousands of Maunds.	Period.	Thousands of Maunds.
1 March 1881 to 31 January 1882 -	5,604	1 March 1882 to 31 January 1883 -	6,405
February 1882 - - - -	577	February 1883 - - - -	631
March „ - - - -	695	March „ - - - -	727
April „ - - - -	567	April „ - - - -	609
May „ - - - -	567	May „ - - - -	757
June „ - - - -	548	June „ - - - -	579
TOTAL of 16 months -	8,558	TOTAL of 16 months -	9,708

These figures, which show an increase of consumption of 13·44 per cent. in 16 months, are quite sufficient to justify the increase of expenditure on preventive establishments in Madras.

56. In Bombay there is an estimated increase in 1883–84 of 43,000 *l.* over the expenditure of 1882-83. Of this amount 18,000 *l.* is for the purchase and freight of salt, which will be recovered in the selling price, and 20,000 *l.* is due to full provision having been made for the preventive establishments across the Kathiawar Peninsula, and to the fact that Maharajah Holkar is in future to receive payment in money in the place of salt in kind. The balance is due to increase in salaries, establishments, and contingencies.

57. The increase in Madras (23,000 *l.*) and in Bombay (43,000 *l.*) over the estimated expenditure of 1882–83 accounts for a total increase of 66,000 *l.* On the other hand, there has been a further reduction of 27,000 *l.* in Northern India, owing to the partial abandonment of the depôt system. These, together with some other minor changes to which I need not refer, account for a net increase of 47,000 *l.* in the estimated expenditure of 1883–84 over that of 1882–83.

58. Turning to the question of net revenue, I have to observe that I dealt so fully with this question in the Financial Statement for 1883-84 (paras. 95-116) that I need say very little about it now. It is obvious that the recent changes which have been made in the rate of duty render it impossible to make any valid comparison with the net revenue of former years. It is equally obvious that any comparison on the basis of the relative percentage of the gross revenue spent on collection would in this case be wholly fallacious.

59. It will be sufficient to say that in 1881–82 the net revenue was 6,534,000 *l.*, being 268,000 *l.* above the net revenue of 1880-81 (6,266,000 *l.*), and in excess of the net revenue of every previous year except 1879–80, in which year it amounted to 6,572,000 *l.* This result is specially satisfactory, because, as the duty was lowered on 10th March 1882, that is to say, three weeks before the financial year expired, a diminution of revenue might have been expected in 1881–82 as compared to 1880–81. But the large wholesale purchases which followed immediately on the reduction of duty more than recouped any anticipated loss during the last three weeks of the year. These large purchases, however, as I mentioned in the Financial Statement for 1883-84 (para. 112), tended somewhat to diminish the revenue of 1882–83.

60. The estimated net revenue of 1882–83 is 5,227,000 *l.* The large fall (1,307,000 *l.*), as compared with the net revenue of 1881–82 (6,534,000 *l.*), is of course due to the reduction of duty. The net revenue, according to the Revised Estimate of 1882-83, is 219,000 *l.* in excess of the original Budget Estimate.* We now know from the preliminary actuals that the gross revenue of 1882-83 was about 50,000 *l.* in excess of the Revised Estimate, whilst the expenditure was about 50,000 *l.* less than the Revised Estimate. The net result for the year 1882–83 will therefore be about 100,000 *l.* better than the Revised Estimate.

61. The net revenue for 1883-84 is taken at 5,246,000 *l.*, being only 19,000 *l.* in excess of the Revised Estimate of 1882–83 (5,227,000 *l.*). Up to the end of the month of June the quantity of salt which paid duty was 7,950,000 maunds, as compared with 8,078,000 maunds

* *See* Statement X. in Appendix II. attached to the Financial Statement for 1883-84. This calculation does not take account of deductions on account of *Refunds* or on account of *Assignments and Compensations* in either of the two years under comparison.

maunds in the corresponding period of 1882-83. The amount of gross revenue realised was 1,537,000 *l.*, as compared with 1,552,000 *l.* in the corresponding period of last year. The revenue fell off somewhat during the early part of the financial year, by reason mainly of the large amount of salt which paid duty in March 1883. But it has recently shown a tendency to recover, and I do not doubt that the estimate will be more than realised.*

62. CUSTOMS.

000 s *omitted*. £. 1 = *Rs.* 10.

YEAR.	Gross Revenue. 1.	Refunds. 2.	Revenue, after Deduction of Refunds. 3.	Expenditure. 4.	Net Revenue. Difference of Columns 3 and 4. 5.
	£.	£.	£.	£.	£.
1871–72 - - - - -	2,579	51	2,528	187	2,341
1872–73 - - - - -	2,658	72	2,586	183	2,403
1873–74 - - - - -	2,636	71	2,565	187	2,378
1874–75 - - - - -	2,682	73	2,609	187	2,422
1875–76 - - - - -	2,724	66	2,658	188	2,470
1876–77 - - - - -	2,484	62	2,422	202	2,220
1877–78 - - - - -	2,624	67	2,557	207	2,350
1878–79 - - - - -	2,327	65	2,262	200	2,062
1879–80 - - - - -	2,281	53	2,228	201	2,027
1880–81 - - - - -	2,540	62	2,478	199	2,279
TOTAL - - - £.	25,535	642	24,893	1,941	22,952
Average - - -	2,553	64	2,489	194	2,295
1881–82 - - - - -	2,361	73	2,288	195	2,093
1882–83 (Revised Estimate) - -	1,265	55	1,210	156	1,054
1883–84 (Budget Estimate) - -	1,255	37	1,218	144	1,074

63. The expenditure of the year 1881–82 (195,000 *l.*) was almost exactly equal to the average expenditure of the 10 years ending with 1880–81 (194,000 *l.*). It was less than that of any year since 1875–76. The estimated expenditure in 1882–83 (156,000 *l.*) and in 1883–84 (144,000 *l.*) is considerably below the average of the 10 years ending with 1880–81 (194,000 *l.*). This was, of course, due to the abolition of the import duties at the end of 1881–82, which enabled the Customs Establishment to be considerably reduced. There is, however, an increase of about 12,000 *l.* a year for pensions, and a temporary increase of 23,000 *l.* in 1882–83 and about 2,000 *l.* in 1883–84 for gratuities, due to the pensions and gratuities granted in consequence of the reductions. These charges appear under *Superannuations.*

64. There has, of course, been a diminution in the net revenue. The main reason why the net revenue of 1881–82 (2,093,000 *l.*) fell below that of 1880–81 (2,279,000 *l.*) is that the import duties were abolished on 10th March 1882, so that the revenue for the last three weeks of the year 1881–82 was lost.

* From the preliminary actuals for July, which have now been received, it appears that the revenue up to 31st July 1883 was well ahead of the Budget Estimate.

65. FOREST.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Gross Revenue. 1.	Refunds. 2.	Revenue, after Deduction of Refunds. 3.	Expenditure. 4.	Net Revenue. Difference of Cols. 3 and 4. 5.
	£.	£.	£.	£.	£.
1871-72	518	7	511	360	151
1872-73	588	12	576	400	176
1873-74	640	5	635	404	231
1874-75	599	2	597	444	153
1875-76	698	3	695	420	275
1876-77	617	2	615	458	157
1877-78	679	3	676	440	236
1878-79	605	1	604	455	149
1879-80	676	2	674	465	209
1880-81	709	5	704	466	238
TOTAL - - - £.	6,329	42	6,287	4,312	1,975
Average - - -	633	4	629	431	198
1881-82	874	2	872	558	314
1882-83 (Revised Estimate)	922	2	920	587	333
1883-84 (Budget Estimate)	936	3	933	677	256

66. The average gross revenue, after deducting Refunds (column 3), for the 10 years ending 1880-81, was 629,000 *l.* The average expenditure (column 4) was 431,000 *l.*, being about 68·5 per cent. of the gross revenue. The average net revenue (column 5) amounted to 198,000 *l.* In 1881-82 the expenditure was 558,000 *l.*, being 127,000 *l.* in excess of the average of the preceding 10 years, and 92,000 *l.* in excess of the expenditure of 1880-81, which was the last year of the decade. On the other hand, the gross revenue, after deduction of Refunds, was 872,000 *l.*, being 243,000 *l.* in excess of the average gross revenue of the decade, and 168,000 *l.* in excess of the gross revenue of 1880-81. The expenses were about 64 per cent. of the gross revenue, after deduction of Refunds. The net revenue of 1881-82 amounted to 314,000 *l.*, being 116,000 *l.* in excess of the average of the decade, and 76,000 *l.* in excess of the year 1880-81.

67. In 1882-83 the estimated expenditure (column 4) is higher than in any previous year. It amounts to 587,000 *l.*, being 156,000 *l.* in excess of the average of the decade (431,000 *l.*), and 121,000 *l.* in excess of the expenditure of the year 1880-81 (466,000 *l.*). On the other hand, the gross revenue, after deducting Refunds (column 3), is estimated at 920,000 *l.*, being 291,000 *l.* in excess of the average of the decade (629,000 *l.*), and 216,000 *l.* in excess of the gross revenue of 1880-81 (704,000 *l.*). The expenditure is estimated at 63·9 per cent. of the gross revenue after deduction of Refunds. The net revenue is estimated at 333,000 *l.*, being 135,000 *l.* in excess of the average of the decade (198,000 *l.*), 95,000 *l.* in excess of the net revenue of the year 1880-81 (238,000 *l.*), and 19,000 *l.* in excess of the net revenue of the year 1881-82 (314,000 *l.*). This rise of net revenue took place in spite of the duty on timber which comes down the Salween river, having been reduced in January 1882 from 7 to 1 per cent.,* thus sacrificing revenue which, at the time the change was made, was estimated at about 25,000 *l.* a year. (*See* Financial Statement for 1882-83, para. 53).

68. It will be seen that the net revenue of 1883-84 is estimated at 256,000 *l.*, which, although higher than any year (except 1875-76) prior to 1881-82, is less than the net revenue of 1881-82 (314,000 *l.*) by 58,000 *l.*, and less than the estimated net revenue of 1882-83 (333,000 *l.*) by 77,000 *l.* The decrease occurs almost entirely in Burmah, Madras, and Bombay. The Burmah estimate of net revenue, which is 36,000 *l.* below the Revised Estimate of 1882-83, is a very low one, and will very probably be exceeded. We now know that the actuals for 1882-83 in Burmah will be about 11,000 *l.* better than the Revised Estimate. There was, however, a very active demand for timber in 1882-83, and prices were high. The Forest Department did not consider it prudent, in framing a Budget Estimate, to rely on so active a demand and on such high prices continuing during 1883-84. Also, no credit has been taken for timber which may be supplied to the Gun Carriage Factories at Madras, Bombay, and Fatehgurh. In Bombay, also, the gross

* This duty has since been reduced to ½ per cent. It is not kept up for revenue purposes, but is merely meant as a fee to support an establishment which is useful to the trade.

gross revenue (194,000 *l.*) has been taken at a low figure, being only 1,000 *l.* in excess of the Revised Estimate for 1882-83 (193,000 *l.*). On the other hand, provision has been made for an expenditure of 140,000 *l.*, being 19,000 *l.* in excess of the Revised Estimate for 1882-83 (121,000 *l.*). The actuals will probably give a better net result than the estimate. The increase of expenditure in Bombay is for compensations for lands and rights, for purchases of forests, for surveys, for reboisement of denuded lands, of which there is a large area, for works connected with the demarcation, improvement, and extension of forests, and for increased establishments. I do not doubt that the expenditure of this money will ultimately cause an increase of net revenue. In Madras the gross revenue for 1883-84 has been taken at 92,000 *l.*, being 5,000 *l.* in excess of that of 1882-83 (87,000 *l.*). The expenditure is also taken at 92,000 *l.*, being 24,000 *l.* in excess of that of 1882-83 (68,000 *l.*). In consequence of the unsatisfactory state of the forest administration in Madras for years past, the Government of India recommended, and the Secretary of State sanctioned, the entire reorganisation of the Forest Department in that Presidency. It was expected that the effect of this reorganisation would be to reduce the revenue and expenditure to equilibrium during the five years from 1883-84 to 1887-88, both inclusive. The Madras Budget Estimate for 1883-84 has accordingly been framed on this basis.*

69. REGISTRATION.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Gross Revenue. 1.	Refunds. 2.	Revenue, after deduction of Refunds. 3.	Expenditure. 4.	Net Revenue. Difference of Cols. 3 and 4. 5.
	£.	£.	£.	£.	£.
1871-72	158	-	158	111	47
1872-73	178	-	178	118	60
1873-74	182	-	182	122	60
1874-75	185	1	184	130	54
1875-76	188	1	187	136	51
1876-77	199	-	199	142	57
1877-78	234	-	234	150	84
1878-79	266	-	266	161	105
1879-80	269	1	268	165	103
1880-81	281	2	279	173	106
TOTAL £.	2,140	5	2,135	1,408	727
Average	214	·5	214	141	73
1881-82	285	2	283	179	104
1882-83 (Revised Estimate)	285	2	283	185	98
1883-84 (Budget Estimate)	281	2	279	186	93

70. The figures for 1882-83 are those for the Revised Estimate, and we now know that the actuals will be slightly better than the estimate. The figures for 1883-84 are those for the Budget Estimate. The actuals will very probably show an improvement. The estimated falling-off of revenue in 1883-84 is only nominal. It has been mainly brought about by a change introduced by the North-Western Provinces Government in the

* The Famine Commissioners said (*Report*, Part II., page 178): "It is much to be regretted that the "introduction of a Forest law has been so long deferred in Madras, and we trust that measures for pro- "tecting the existing forest tracts from denudation and for obtaining power to reserve suitable areas for "pasture, which may be so important in their relation to future seasons of drought, will speedily be "undertaken in Madras, with the same energy and judgment which is being displayed elsewhere."

the system of collecting fees for inspecting and copying judicial documents. This change has caused the transfer of about 7,000 *l.* from *Registration* to *Stamps*. Since 1881-82 a more efficient system for controlling the Revenue Record Room receipts and charges in the North-Western Provinces has been introduced, at an increased cost of about 4,000 *l.* a year. The working of the Deccan Agriculturists Act in Bombay has also led to increased expenditure and diminished receipts in that Province. The average expenditure (column 4) for the 10 years ending 1880-81 (141,000 *l.*) was 65·9 per cent. of the average gross revenue, after deduction of Refunds (column 3, 214,000 *l.*). The expenditure of 1881-82 (179,000 *l.*) was 63·2 per cent. of the gross revenue, after deduction of Refunds (283,000 *l.*). In 1882-83 the per-centage is estimated at 65·3. In 1883-84 the estimated per-centage is 66·6, but by reason of the transfer of revenue to *Stamps* in the North-Western Provinces, to which I have already alluded, a comparison in this case would be fallacious. The figures under *Registration* are not altogether satisfactory. The expenditure has been growing since 1871-72 at the rate of about 6,000 *l.* a year, whilst since 1878-79 the revenue has remained almost stationary. It is, however, to be borne in mind that it is not the policy of the Government to regard *Registration* as a source of revenue.

71. TRIBUTES.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Gross Revenue.	Deductions.		Total Deductions.	Net Revenue. Difference of Columns 1 and 4.
		Goa Convention.	Transit Duties.		
	1.	2.	3.	4.	5.
	£.	£.	£.	£.	£.
1871-72	744	-	30	30	714
1872-73	741	-	28	28	713
1873-74	769	-	41	41	728
1874-75	725	-	35	35	690
1875-76	726	-	49	49	677
1876-77	695	-	28	28	667
1877-78	675	-	25	25	650
1878-79	704	-	37	37	667
1879-80	703	-	39	39	664
1880-81	742	49	50	99	643
TOTAL - - - £.	7,224	49	362	411	6,813
Average - - -	722	5	36	41	681
1881-82	707	46	44	90	617
1882-83 (Revised Estimate)	710	59	41	100	610
1883-84 (Budget Estimate)	701	65	49	114	587

72. The revenue under this head may practically be said to be stationary. The amount received is in almost all cases fixed by treaty. The variations are due to the fact that occasionally the full amount due in the year is not paid, and the arrears have to be recovered in some subsequent year.

73. In the note, dated 20th June 1883, attached to his tabular Statement of Net Accounts and Estimates (Appendix III.), the Comptroller General has explained why those portions of the charges under *Assignments and Compensations*, which are due to payments on account of the "Goa Convention" and on account of "Transit Duties," are deducted from this head. The main reason why the net revenue of 1881-82, 1882-83, and 1883-84, falls below that of preceding years is on account of the deductions made for payments under the Goa Convention.

74. In this, as in all other cases, cautious estimates have been made of the revenue and expenditure of 1883-84, and it is very possible that the result will turn out better than the Budget Estimate.

C.—POST OFFICE, TELEGRAPH AND MINT.

75. Post Office.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Expenditure. 1.	Revenue. 2.	Net Revenue + or Expenditure— 3.	Remarks.
	£.	£.	£.	
1871–72	737	821	+ 84	
1872–73	766	580	— 186	
1873–74	883	688	— 195	
1874–75	884	740	— 144	
1875–76	903	766	— 137	
1876–77	919	797	— 122	
1877–78	964	851	— 113	
1878–79	1,033	912	— 121	
1879–80	1,145	1,004	— 141	
1880–81	1,175	1,019	— 156	
TOTAL £.	9,409	8,178	—1,231	
Average	941	818	— 123	
1881–82	1,148	950	— 198	
1882–83 (Revised Estimate)	1,187	980	— 207	
1883–84 (Budget Estimate)	1,223	1,011	— 212	

76. Mr. Stanhope alluded specifically in the course of his speech to the increased expenditure on account of the Post Office. I propose, therefore, to examine this item at some length.*

77. It will be seen that, except in the year 1871–72, when the Post Office gave a net revenue of 84,000 *l.*, the expenditure has in each year been in excess of the revenue. The average net expenditure during the 10 years ending with 1880–81 was 123,000 *l.* The net expenditure in 1881–82 was 198,000 *l.*, being 75,000 *l.* in excess of the average of the decade (123,000 *l.*), and 42,000 *l.* in excess of the net expenditure of 1880–81 (156,000 *l.*). The estimated net expenditure in 1882–83 is 207,000 *l.*, being 84,000 *l.* in excess of the average of the decade (123,000 *l.*), and 9,000 *l.* in excess of the net expenditure of 1881–82 (198,000 *l.*). The estimated net expenditure in 1883–84 is 212,000 *l.*, being 89,000 *l.* in excess of the average of the decade (123,000 *l.*), and 5,000 *l.* in excess of the estimated net expenditure of 1882–83 (207,000 *l.*).

78. The causes which have led to this increase of expenditure are shown in the following tabular statement :—

000s *omitted.* £. 1 = *Rs.* 10.

	1881–82.	1882–83.	1883–84.
	£.	£.	£.
Purely Postal Departments	21	30	30
Non-postal Branches, *i.e.*, Bullock Train and Passenger Service	15	8	7
Home Charges	16	20	21
Biluchistan Agency		11	11
District Dâk Charges	23	15	20
TOTAL £.	75	84	89

Each of these divisions calls for some remarks.

79. The

* Mr. Stanhope is reported to have said (*Hansard*, Vol. CCLXXIX., p. 271) that "comparing 1880-81 "with the present year"—that is to say, I imagine, 1883-84—"the expenditure on the Post Office and "Telegraph had increased by 274,000 *l.*" This figure is not quite correct. The expenditure in 1880-81 on the Post Office was 1,175,505 *l.* The estimated expenditure in 1883-84 is 1,222,800 *l.* The increase under *Post Office* is, therefore, 47,295 *l.* The expenditure on the Telegraph in 1880-81 was 497,834 *l.* The estimated expenditure in 1883-84 is 741,600 *l.* The increase under *Telegraph* is, therefore, 243,766 *l.* The total increase was, therefore, not 274,000 *l.*, as stated by Mr. Stanhope, but (243,766 *l.*+47,295 *l.*) 291,061 *l.*

Purely Postal Departments.

79. The tendency of the Post Office is to advance the interests of the public by curtailing the profits of the Department. Three steps in this direction have been taken within the last three years, the nature of which, together with the estimated loss they have occasioned, are shown in the following abstract:—

000s *omitted.* £ 1. = *Rs.* 10.

	1881–82.	1882–83.	1883–84.
	£.	£.	£.
Reduction of the minimum weight of parcels from 8 annas for 40 tolas to 4 annas for 20 tolas. Introduced on 1st August 1880.	7	5	4
Reduction of registration fee on letters from 4 to 2 annas. Introduced on 1st August 1881.	13	24	22
Reduction of postage on newspapers not weighing more than 1¼ oz. (3 tolas). Introduced on 15th November 1881.	3	5	5
TOTAL - - - £.	23	34	31

80. It will be seen that the excess over the average of the 10 years ending with 1880-81 (*see* paragraph 78) is more than accounted for as regards each of the years concerned. Some idea of the expansion of the Department during the period under consideration will be obtained from the following figures:—

	1871–72.	1882-83.
Total number of Imperial Post Offices -	2,884	5,664
Total number of Imperial letter-boxes -	1,885	7,500
Total number of articles given out for delivery.	89,561,685	184,043,533

81. This expansion has necessarily caused an increase in the strength of the Postal Establishment, some of the heads of which are given below:—

	1871-72.	1882–83.
Number of Postal Circles - - - -	9	15
Superintendents and Inspectors - - -	141	314
Postmasters, Sub-and Branch-Postmasters -	2,365	4,576
Clerks - - - - - - - -	1,979	4,356
Postmen, &c. - - - - - -	6,021	9,216

82. The Post Office has also undertaken several new descriptions of business, viz.:—

(*a.*) Foreign Parcel Post.—This commenced with the United Kingdom in the year 1873, and now extends to numerous countries in Europe, to Ceylon, to British offices in China, and to the Straits Settlement. The total number of parcels sent under these exchanges during 1882-83 was 88,684.

(*b.*) Value-payable System.—This system was introduced at the close of the year 1877. In 1882 83 the articles sent under this system numbered 174,509, the total value being nearly 170,000 *l.*

(*c.*) Insurance began with the year 1878. The value of articles insured in 1882-83 amounted to 8,180,000 *l.*

(*d.*) Money Orders.—In 1880 the Post Office undertook this business, and now maintains both a highly popular inland system and exchanges with 18 foreign countries.

countries. There are more than 5,000 money order offices in India. The number of orders issued in 1882–83 was about 2½ millions, and their total value exceeded 6,500,000 *l.*

(*e.*) Post Office Savings Banks were first opened in April 1882. There are now nearly 5,000 banks open, more than 50,000 accounts, and a balance exceeding 400,000 *l.*

(*f.*) Stock-Notes were sold through the agency of the Post Office, with effect from November 1882.

(*g.*) India Postal Notes for fixed sums of money were first issued in January 1883.

(*h.*) A scheme is now being elaborated for rendering the agency of the Post Office available for the extension of telegraph work. Every Post Office, where no telegraph staff exists, will receive telegraph messages. All postmasters will be available for the discharge of telegraph duties, and postage stamps will be received in payment of telegrams. This will no doubt lead to an apparent increase of net expenditure, as the revenue will not be credited to the Post Office, but to the Telegraph Department.

Non-Postal Branches.

83. On 1st April 1872 there were 62 bullock train offices in India, with a main line of communication from Calcutta to Peshawar, and numerous branches. Owing to the progress of railways, these lines have been gradually abolished, and there are now only nine such offices, and two small lines of communications. Notwithstanding that they were debited with extraneous charges connected with the District Post, these non-postal branches yielded a net surplus of about 14,000 *l.* a year during the 10 years ending with 1880–81. In 1881 82 there was a deficit of about 1,600 *l.* In 1882-83 there is an estimated surplus of about 6,000 *l.*, and in 1883-84 an estimated surplus of about 6,600 *l.* An increase of revenue under *Railways* has, of course, resulted from the abolition of the bullock train service. These figures account for the excess expenditure shown in the table in paragraph 78.

Home Charges.

84. These are composed of four sub-divisions, viz.:—

(1) India's contribution to the Peninsular and Oriental Steam Company's subsidy.

(2) Subsidy to the Euphrates and Tigris Steam Navigation Company for the service between Basrah and Bagdad.

(3) Salaries and travelling allowances of officers attending Conferences, &c., in Europe.

(4) Stores for India.

85. It is under the last sub-division only that the increase of expenditure has taken place. These stores consist of postage stamps, p ost-cards, and embossed envelopes. An increase of correspondence naturally calls for a larger supply of postage stamps. Moreover, the following new descriptions of articles have recently been introduced into India.

(*a*) 9-pie envelopes for soldiers' letters, introduced in 1879–80.

(*b*) Post-cards, inland and international, introduced in 1879–80.

(*c*) 4½ anna embossed envelopes, for foreign correspondence, introduced in 1881–82.

86. Besides this, the consumption of half-anna embossed envelopes has enormously increased, the sales having risen from 106,921 in 1871–72 to 42,717,382 in 1881–82. The annual supply of these envelopes alone, now obtained from England, is 120,000 reams, or 57,600,000 envelopes. The number of inland post-cards used in 1882–83 is estimated at nearly 30 millions. Reply post-cards have recently been ordered from England which will add still further to the home charges. In a growing Department like the Post Office expenses of this description must always tend to increase.

Biluchistan Agency.

87. The estimated increase of 11,000 *l.* in 1882–83 and 1883–84 under this head (*see* table in paragraph 78) is only nominal. Formerly the postal charges connected with the Biluchistan Agency were debited to the head *Political.* From the commencement of 1882-83 they have been debited to *Post Office.*

District Dâk Charges.

88. The increase under this head (*see* paragraph 78) is also nominal. The District Post in India is managed under the orders of the several Local Governments, not under those of the Director General of the Post Office. The various local cesses, which cover the cost of the District Dâks, and which amount to about 100,000 *l.* a year, are credited to *Provincial Rates.* The charges, which come to about an equal amount, are debited to the

Post Office. Any increase of charge under the latter head is met by a corresponding increase of revenue under *Provincial Rates.*

89. From these remarks it will be seen that the profits of the Post Office are subject to constant curtailment by reduction in the charges made to the public; that Railway extension is fast depriving the Department of the revenue derived from bullock train and passenger services; that the Post Office is further called upon to discharge new and obviously unremunerative classes of business, and that in respect to one important item (District Dâk charges) any increase of expenditure is balanced by increased receipts credited to another head of account. The tendency must be for the expenditure to increase faster than the revenue, and for the Post Office to be a spending and not a revenue-producing department.

90. Sir John Strachey says*:—"The net cost of the Post Office was 33,409 *l.* in 1869–70, "and 153,000 *l.* † in 1880–81, an increase of 119,591 *l.* Its administration has been "excellent. The development of the business performed by the Post Office, and of the "efficiency of the service, is out of all proportion to the increase of charge. It has hitherto "not been the policy of the Government to treat the Post Office as a source of revenue, "but to use the constantly growing receipts in increasing the usefulness and efficiency of "the department. In no country in the world are lower charges made than by the "Indian Post Office for the many and great public services which it performs."

91. I fully agree with Sir John Strachey. The Post Office is, in fact, one of the best and most economically conducted departments of the State. The apparent growth of net expenditure is either nominal, being due to transfers to and from other heads of account, or has been caused by a reduction of the charges made to the public.

92. TELEGRAPH.

000s *omitted.* £.1 = *Rs.* 10.

YEAR.	REVENUE.			EXPENDITURE.			NET REVENUE OR EXPENDITURE.			REMARKS.
	Capital Account.	Revenue proper.	TOTAL.	Capital Account.	Revenue proper.	TOTAL.	Expenditure on Capital Account. Difference of Columns 4 and 1.	Revenue + or Expenditure— proper. Difference of Columns 2 and 5.	Total net Revenue + or Expenditure— Difference of Columns 3 and 6.	
	1.	2.	3.	4.	5.	6.	7.	8.	9.	
1871–72 -	£. (a)	£. (a)	£. 228	£. (a)	£. (a)	£. 450	£. (a)	£. (a)	£ — 222	(a) A separate Capital Account was not kept before 1872–73. The division of the expenditure in England has not been given in all cases between Capital and Revenue. The division adopted is therefore approximate.
1872–73 -	21	229	250	149	334	483	128	— 105	— 233	
1873–74 -	4	247	251	95	317	412	91	— 70	— 161	
1874–75 -	4	282	286	98	334	432	94	— 52	— 146	
1875–76 -	16	293	309	141	350	491	125	— 57	— 182	
1876–77 -	4	337	341	135	338	473	131	— 1	— 132	
1877–78 -	2	356	358	70	391	461	68	— 35	— 103	
1878–79 -	2	425	427	60	411	471	58	+ 14	— 44	
1879–80 -	2	504	506	54	398	452	52	+ 106	+ 54	
1880–81 -	2	537	539	100	398	498	98	+ 139	+ 41	(b) These totals are for *nine*, not for *ten*, years. As the full details for 1871–72 cannot be given, the figures for that year have been excluded in adding up the totals and in striking the averages.
TOTAL (b) -	57	3,210	3,267	902	3,271	4,173	845	— 61	— 906	
Average(b) -	6	357	363	100	363	463	94	— 6	— 100	
1881–82 -	2	467	469	105	431	536	103	+ 36	— 67	
1882–83(c) -	7	514	521	169	488	657	162	+ 26	— 136	(c) Revised Estimate.
1883–84(d) -	8	549	557	268	474	742	260	+ 75	— 185	(d) Budget Estimate.

93. In dealing with the revenue and expenditure of the Indian Telegraph, it is to be borne in mind that the whole of the capital cost of construction has always been charged to

* *The Finances and Public Works of India*, p. 41.

† The correct figure for 1880–81 is 156,000 *l.* Sir John Strachey wrote before the accounts for 1880–81 were finally made up. His figures for that year were, therefore, based on the Revised Estimate.

to Revenue.* It is also to be borne in mind that considerable changes have been introduced into the tariff during the last two years. In July 1881 a tariff of 2 annas a word for each word in excess of the minimum group of six words for a rupee was introduced. In January 1882 the minimum group was raised to eight words for a rupee; and at the same time, in order to admit of messages being dealt with as far as possible in order of urgency instead of entirely in order of receipts, an "urgent" tariff at double rates and a "deferred" tariff at half rates was introduced. During the last three months of 1881–82, when the new tariff was in operation, 22 per cent. of the telegrams tendered on private account were at the cheaper or "deferred" rate.

94. In order to arrive at any accurate conclusions as to the financial results of the Telegraph, it is obviously necessary to separate revenue and expenditure proper from expenditure on capital account.

95. In the foregoing table, column 2 gives the revenue proper, column 5 the expenditure proper, and column 8 the net revenue or expenditure proper. It will be seen that up to and including the year 1877–78 the Telegraphs were worked at a loss. The next four years, that is to say from 1878–79 to 1881–82, were altogether abnormal. The receipts of the Telegraph Department in 1879–80 and in 1880–81 were largely, and those in 1878–79 and 1881–82 were slightly, affected by the Afghan War. Of course the receipts of the Telegraph Department on account of the war were balanced by a corresponding increase of expenditure under *Army*. There was therefore no real gain to the revenue.

96. The year 1882–83 may be regarded as normal. It will be seen that the net revenue is estimated at 27,000 *l.* The average net loss during the nine years from 1872–73 to 1880–81, both inclusive, was 6,000 *l.*, even after bringing to account the heavy nominal receipts on account of the war. The estimated net result of the year 1882–83 is, therefore, 33,000 *l.* better than the average of the nine years ending 1880 81, and far better than any preceding year which was unaffected by the war. I may add that the results of 1882–83 would have been better, but that a large payment for stores in England, amounting to 32,000 *l.*, which belonged to the year 1881–82, was not made until the year 1882–83. Thus the net revenue of 1881–82 was increased, and that of 1882–83 diminished by that amount. This mainly accounts for the high expenditure in 1882–83 (*see* column 5), amounting to 488,000 *l.*, as compared to 431,000 *l.* in 1881–82, and 474,000 *l.* in 1883–84 (Budget Estimate). It should be noticed that this revenue expenditure proper contains an annual payment of 18,000 *l.* to the defunct Red Sea Telegraph Company.

97. The estimated result of the year 1883–84 is that the telegraph will yield a net revenue of 75,000 *l.* This result is very satisfactory, and fully justifies any growth in the expenditure. Of this sum 79,000 *l.* is the estimated net revenue of the Indian telegraph, and 14,000 *l.* that of the Indo-European telegraph. The difference between the totals of these amounts (93,000 *l.*) and the net revenue, which is shown in column 8 as 75,000 *l.*, is the 18,000 *l.* paid to the Red Sea Telegraph Company.

98. The total capital expenditure on the Indian telegraphs up to the end of the year 1881–82 was 2,736,000 *l.*† No interest is, of course, paid on this money, for, as I have already explained (paragraph 93), the whole of it has been charged to revenue. It may be said that the estimated net revenue of the Indian Telegraph (79,000 *l.*) in 1883–84 will amount to nearly 2·5 per cent. on the capital outlay of 3,173,000 *l.* up to the end of the current year.

99. It will be see n fromcolumn 7 of the table given in paragraph 92 that the capital expenditure has varied very much, according to the general financial situation for the time being. In 1872–73 it was 128,000 *l.* The years 1873–74 and, although to a less extent, 1874–75, were years of famine, and accordingly the expenditure fell to 91,000 *l.* and 94,000 *l.* respectively. In 1875–76 it rose to 125,000 *l.*, and in 1876–77 to 131,000 *l.* Then came the famine and the Afghan War. The amount which Government was able to devote to capital expenditure on telegraphs fell in 1877–78 to 68,000 *l.*, in 1878–79 to 58,000 *l.*, and in 1879–80 to 52,000 *l.* In 1880–81, when the financial pressure due to the Afghan War was to some extent relieved, the capital expenditure rose to 98,000 *l.* The average expenditure during the nine years ending with 1880–81 was 94,000 *l.* In 1881–82 the Government was able to devote 103,000 *l.* to the construction of telegraphs. In 1882–83 it is estimated that the capital expenditure will be 169,000 *l.*, and in 1883–84 no less than 268,000 *l.* So far from being a matter for regret, it is a matter for congratulation that, concurrently with a large reduction of taxation, Government has been able to devote so large an amount of money to the construction of telegraphs. The large amount

* In an article written by Sir John Lubbock, and entitled "Our National Balance Sheet," which appeared in the *Nineteenth Century* for April 1883, it was pointed out that the results of the English telegraph system for the year ending 31st March 1882 were as follows:—Receipts, 1,630,000 *l.*; working expenses, 1,366,000 *l.*; net gain, 264,000 *l.* "But," it was added, "in order to purchase the telegraphs, the "country has borrowed more than 11,000,000 *l.*, the interest on which is 326,000 *l.*, so that there was "really a loss of 62,000 *l.*' The result of the Indian Telegraphs compare favourably with these figures.

† See *Finance and Revenue Accounts* for 1881–82, p. 186.

amount for which provision is made in the Estimates of 1882-83 (162,000 *l.*) and of 1883-84 (260,000 *l.*) is mainly due to the fact that during the last two years there has been, relatively speaking, great activity displayed in the construction of railways, and a telegraph is, I need hardly say, a necessary adjunct to a railway. Of the 260,000 *l.* (net), for which provision is made in 1883-84, about 180,000 *l.* is for railway telegraphs.* It is, however, improbable that all this money will be spent.

100. The following table shows the progress of telegraph construction :—

YEAR.	Miles of Posts.	Miles of Wire.			Offices.		
		Departmental.	Railway.	Total.	Departmental.	Railway.	Total.
1871-72	15,326	27,903	1,070	28,973	192	53	245
1872-73	15,705	29,486	1,723	31,209	203	86	289
1873-74	15,980	32,662		32,662	225	112	337
1874-75	16,649	33,901		33,901	225	—	—
1875-76	17,145	36,279		36,279	226	—	—
1876-77	17,840	39,780		39,780	234	—	—
1877-78	18,210	29,600	13,087	42,687	239	484	723
1878-79	18,589	36,063	13,380	49,443	250	525	775
1879-80	20,468	36,860	15,079	51,939	276	633	909
1880-81	19,679†	37,566	16,752	54,318	254	680	934
1881-82	20,602	39,896	18,322	58,218	292	794	1,086
1882-83	21,740	41,959	19,768	61,727	307	872	1,179
1883-84 (estimated)	23,358	43,557	22,917	66,474	350	1,029	1,379

101. Mint.

000s *omitted.* £.1. = *Rs.* 10.

YEAR.	Revenue. 1.	Expenditure. 2.	Net Revenue + or Expenditure —. 3.	Amount of Silver Coined. 4.
	£.	£.	£.	£.
1871-72	96	84	+ 12	1,690
1872-73	54	86	— 32	3,981
1872-74	67	78	— 11	2,370
1874-75	159	133	+ 26	4,897
1875-76	110	108	+ 2	2,550
1876-77	259	131	+128	6,271
1877-78	444	132	+312	16,180
1878-79	172	104	+ 68	7,211
1879-80	231	95	+136	10,257
1880-81	89	93	— 4	4,250
Total £.	1,681	1,044	+637	59,657
Average	168	104	+ 64	5,966
1881-82	71	88	— 17	2,186
1882-83 (Revised Estimate)	152	88	+ 64	‡
1883-84 (Budget Estimate)	102	75	+ 27	—

102. The revenue under this head varies according to the amount of silver coined, and this again, I need hardly say, depends upon a number of circumstances, into which I need not now enter. The expenditure is also influenced by the same cause. The estimate of revenue is particularly difficult to frame. It will be seen that in the year 1881-82 there was a net loss of 17,000 *l.*, whereas in 1882-83 there is an estimated net gain of 64,000 *l.* As a matter of fact, the gross expenditure in 1881-82, 1882-83, and 1883-84, is less than the

* It is to be borne in mind that the railway telegraphs earn considerable sums in the dispatch of public telegrams which go to swell the profits of the railways. These receipts are not included in the figures given in paragraph 92.

†Reduction due to the dismantlement of Military lines in Afghanistan.

‡ The net imports of silver in 1882-83 were 7,481,000 *l.* The return of the amount of silver coined at the Mints has not yet been received.

the average of the 10 preceding years; but in this case, as in the case of *Opium*, no credit can be taken for economy by reason of low expenditure, neither can any charge of extravagance lie by reason of high expenditure.

D.—CIVIL DEPARTMENTS.

103. General Administration.

000s *omitted.* £. 1. = *Rs.* 10.

YEAR.	Expenditure.	Remarks.
	£.	
1871-72	1,471	
1872-73	1,474	
1873-74	1,518	
1874-75	1,551	
1875-76	1,639	
1876-77	1,493	
1877-78	1,493	
1878-79	1,488	
1879-80	1,492	
1880-81	1,532	
Total £.	15,151	
Average	1,515	
1881-82	1,494	
1882-83 (*a*)	1,578	(*a*) Revised Estimate.
1883-84 (*b*)	1,555	(*b*) Budget Estimate.

104. For purposes of comparison it is necessary to make a rectification in the figures given in this table. In the table prepared by the Comptroller General (Appendix III.), from which these figures are taken, the cost of stationery stores sent out from England has been included under *General Administration* from the year 1871-72 to the year 1875-76, both inclusive, but subsequently these charges were included under *Stationery and Printing*. The following table eliminates the figures on account of these stores from the years 1871-72 to 1875-76, both inclusive. Some small charges on account of local funds are also included in the Comptroller General's figures for the years 1871-72 to 1875-76, which are not included in subsequent years. These also should be deducted for purposes of comparison. After these deductions have been made, the figures will stand as follows :—

000s *omitted.* £. 1. = *Rs.* 10.

YEAR.	Expenditure as per Table in Paragraph 103.	Deductions.		Total Deductions.	Difference of Columns 1 and 4.	Remarks.
	1.	Stationery Stores. 2.	Local Funds. 3.	4.	5.	
	£	£.	£.	£.	£.	
1871-72	1,471	89	2	91	1,380	
1872-73	1,474	80	9	89	1,385	
1873-74	1,518	119	9	128	1,390	
1874-75	1,551	179	7	186	1,365	
1875-76	1,639	209	2	211	1,428	
1876-77	1,493	- -	- -	- -	1,493	
1877-78	1,493	- -	- -	- -	1,493	
1878-79	1,488	- -	- -	- -	1,488	
1879-80	1,492	- -	- -	- -	1,492	
1880-81	1,532	- -	- -	- -	1,532	
Total £.	15,151	676	29	705	14,446	
Average	1,515	68	3	71	1,444	
1881-82	1,494	- -	- -	- -	1,494	
1882-83 (*a*)	1,578	- -	- -	- -	1,578	(*a*) Revised Estimate.
1883-84 (*b*)	1,555	- -	- -	- -	1,555	(*b*) Budget Estimate.

104 (*a*). The following table gives the detail of these charges :—

£. 1. = *Rs.* 10.

	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	1882-83 (Revised Estimate).	1883-84 (Budget Estimate).
INDIA:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
The Viceroy and Governor General, Governors, Lieutenant Governors, and Chief Commissioners.	97,159	97,425	97,480	100,696	100,384	100,640	94,827	94,457	91,517	95,003	91,971	94,620	93,480
Staff and Household of - ditto -	50,701	46,644	54,473	56,896	59,412	64,629	67,039	67,374	66,419	66,818	61,863	71,320	64,918
Council of Governor General and Governors.	65,730	65,549	65,938	63,514	68,827	70,424	68,683	72,051	68,194	66,959	61,999	66,090	69,470
Tour expenses, Government of India	53,822	73,923	47,576	27,864	66,269	81,788	75,785	66,300	67,960	90,856	71,749	87,444	70,636
Tour expenses, Local Governments	30,359	27,702	25,490	26,021	31,772	26,814	24,946	20,307	23,346	20,888	22,010	26,760	25,200
Commissioner of Sind - - -	10,846	10,962	10,583	10,730	11,103	11,278	10,489	10,110	10,651	10,431	11,442	10,960	12,500
Legislative Department, including Council.	21,924	21,960	19,795	20,043	21,923	27,707	28,265	28,231	32,413	20,356	19,361	29,650	25,480
Secretariats - - - - -	318,845	306,171	317,773	317,382	313,738	328,288	337,487	343,654	346,707	343,393	338,097	340,552	337,534
Consulting Naval Officer - -	- -	- -	- -	- -	4,396	4,527	4,417	4,609	4,649	1,912	—	—	—
Board of Revenue and Financial Commissioner.	87,583	82,514	84,429	84,302	77,073	85,044	86,829	87,958	90,980	88,867	88,255	87,640	87,150
Commissioners - - - -	230,181	225,114	225,254	220,619	213,613	217,290	220,382	214,974	213,974	222,673	223,247	223,940	223,050
Offices of Account and Audit - -	142,511	143,921	153,004	158,069	164,757	168,328	166,860	177,043	177,370	180,211	187,855	193,600	207,072
Provincial and Local Fund establishments in the Imperial Offices.	4,121	8,637	9,208	9,683	9,663	10,126	9,909	2,218	8,771	14,348	15,792	24,000	24,270
Paper Currency Department - -	23,379	22,293	27,910	25,478	23,314	22,560	36,259	33,591	23,563	24,177	24,844	23,134	26,093
Money Order Department - -	6,894	7,379	4,954	4,887	4,495	4,688	5,124	4,814	5,006	1,050	133	—	—
Allowances to Presidency Banks, &c., &c.	24,565	33,729	39,633	34,677	32,627	38,333	35,345	34,813	38,822	36,905	38,884	42,540	43,400
Reserve Treasury - - - -	- -	- -	- -	- -	- -	376	238	425	595	680	699	1,260	996
Press Commissioner - - -	- -	- -	- -	- -	- -	- -	- -	1,877	2,737	1,690	576	1,010	1,111
Cost of Europe stores - - -	- -	- -	- -	- -	- -	- -	- -	- -	27	—	—	—	—
Petty Construction and Repairs -	- -	- -	- -	- -	- -	246	76	51	- -	- -	86	—	—
Rates, Rents, and Taxes - -	79	11	- -	- -	- -	5,528	4,048	4,583	4,808	4,358	4,062	3,540	3,540
TOTAL INDIA - - - £.	1,168,699	1,173,934	1,183,500	1,160,861	1,203,366	1,268,614	1,277,008	1,269,500	1,278,509	1,291,483	1,262,925	1,328,000	1,315,900
ENGLAND:													
Salaries of the Secretary of State and other high functionaries.	131,495	130,053	131,621	133,272	136,859	134,907	134,208	137,089	136,080	132,238	133,852	—	—
Auditor and Assistants - - -	2,734	3,603	3,855	4,146	4,410	4,651	4,708	4,830	4,729	5,077	5,245	—	—
Store Department, &c., &c. - -	19,110	25,817	20,287	21,259	25,178	25,443	24,848	23,290	23,440	24,635	24,027	—	—
Bank of England and Ireland for management of debt.	15,885	15,230	15,097	19,400	18,385	20,888	20,984	20,556	21,938	32,190	27,764	—	—
Law charges - - - - -	2,610	2,503	2,825	2,377	2,347	2,520	872	820	1,455	1,073	1,402	—	—
Postage on Despatches to and from India.	7,908	8,333	9,403	8,434	6,382	10,688	4,984	8,740	5,625	4,901	4,405	—	—
Rents, Rates, and Taxes, &c., &c. -	17,105	17,547	15,687	13,805	16,740	19,857	18,695	20,480	16,988	19,523	16,753	—	—
Miscellaneous charges on account of India.	14,242	8,117	7,303	1,763	13,966	4,469	3,997	2,091	3,350	20,804	8,598	—	—
Stores for India, &c., &c. - -	- -	- -	- -	- -	- -	589	2,397	456	166	132	8,785	—	—
TOTAL ENGLAND - - - £.	211,089	211,203	206,138	204,456	224,267	224,012	215,693	218,352	213,771	240,573	231,431	249,700	239,000
GRAND TOTAL - - - £.	1,379,788	1,385,137	1,389,638	1,365,317	1,427,633	1,492,626	1,492,701	1,487,852	1,492,280	1,532,056	1,494,356	1,577,700	1,554,900

105. I propose, in the first instance, to offer some observations on the causes of increase up to and including the year 1880–81. The expenditure in India in 1871–72 stood at 1,169,000 *l.* In 1880–81 it stood at 1,291,000 *l.* The increase was, therefore, 122,000 *l.* in nine years, or at the rate of nearly 14,000 *l.* a year. The charges of 1871–72 were, however, abnormally high to the extent of 4,000 *l.*, being the amount of expenditure incurred for the lying-in-state of the late Lord Mayo. The charges of 1880–81 were also swelled, and those of 1881–82 correspondingly reduced, owing to the Government of India having moved to Simla in March instead of in April 1881, thus causing the charges on this account to be partly transferred from the accounts of the year 1881–82 to those of 1880–81. These disturbing causes to some extent invalidate a comparison between the expenditure of the years 1871–72 and 1880–81. At the same time a glance at the figures will show that the expenditure has been steadily growing. The only year which shows a diminution of expenditure over the preceding year is 1874–75, when, owing to the Bengal famine, the Government of India did not move to Simla.

	£.
1873-74 - - -	1,183,500
1874-75 - - -	1,160,861
1875-76 - - -	1,203,366

106. Looking at the question as a whole, and considering the growing wants of the country, I cannot think that an increase of expenditure of 122,000 *l.* in nine years is large. Sir John Strachey,* comparing the expenditure under this head in 1869–70 with that of 1880–81, says : "It is satisfactory to see that under this head the increase has "been so small." The following table shows the main items under which an increase occurred :—

000s *omitted.* £. 1. = *Rs.* 10.

Heading.	1871–72.	1880–81.	Increase.
	£.	£.	£.
1. Staff and Household of the Viceroy, Governors, Lieutenant Governors, &c.	51	67	16
2. Tour expenses of the Government of India	54	91	37
3. Secretariat charges - - - - -	319	343	24
4. Offices of Account and Audit - - -	143	180	37
5. Allowances to Presidency Banks - -	25	37	12
Total - - - £.	592	718	126

107. This accounts for an increase of 126,000 *l.* Some small reductions under other heads bring the increase down to 122,000 *l.*

108. Taking the items separately, it will be observed that there is an increase of 16,000 *l.* under *Staff and Household of Viceroy, Governors, Lieutenant Governors, &c.* The real increase of expenditure in 1880–81 over 1871–72 must, however, be reckoned at 20,000 *l.*, as the expenditure of 1871–72 included an abnormal sum of 4,000 *l.* on account of the lying-in-state of the late Lord Mayo. Of this 20,000 *l.*, 2,000 *l.* is only nominal, being due to a transfer of the charge for the Viceroy's band from *Army* to this head. Of the remaining 18,000 *l.* a large portion is due to increased expenditure on telegrams and postage during the Afghan War. This increase is, of course, mainly nominal. The whole of the expenditure on postage, the whole of the expenditure on telegrams in India, and a portion of the expenditure on telegrams to and from England, comes back to the Government in the form of *Post Office* and *Telegraph* receipts. Another portion of the increase of 18,000 *l.* is also nominal. Under the contract system with the Governors of Madras and Bombay, charges which used to appear under *Tour expenses of the Local Governments* now appear under *Staff and Household, &c.* There is thus a corresponding decrease of charge under *Tour expenses of Local Governments,* amounting to about 9,000 *l.*

	£.
1871–72 - -	30,359
1880–81 - -	20,888
Decrease - - -	9,471

109. There is an apparent increase of 37,000 *l.* under *Tour expenses of the Government of India.* The charge on this account, however, in 1880–81 was abnormally high, owing to the Government having moved to Simla just before, instead of just after, the close of the

* *The Finances and Public Works of India,* p. 40.

the financial year 1880-81, thus increasing the charges in that year and diminishing those of 1881-82. There is, however, a slight tendency to a real increase under this head, due to the gradual growth of establishments as work expands. I take this opportunity of saying that I trust the Government of India will never think of abandoning the annual move to Simla. A great deal of the cost is nominal, as it comes back to Government in the form of Post Office* and Railway receipts, and the advantage to the public service which accrues from the move is, in my opinion, out of all proportion to the real annual expenditure.

	£.
1879-80 - - -	67,960
1880-81 - - -	90,856
1881-82 - - -	71 7

109 (*a*). There is an increase of 24,000 *l.* under *Secretariats*. The real increase is, however, 29,000 *l.*, as the charge on account of furniture in Government House, Calcutta (5,000 *l.* in 1880-81), which in 1871-72 appeared under this head, has been transferred to the Public Works Department. Of this amount 15,000 *l.* is due to the increased number of telegrams sent by the Foreign Department during the Afghan War. The greater part of this expenditure came back to the Government as receipts under *Telegraph*. There was an increase of 2,000 *l.* in the permanent expenditure of the Foreign Department, owing to the creation of an Assistant Secretaryship and the entertainment of two Attachés. The remaining increase was distributed under the several Secretariats of the Government of India as well as of Local Governments, and is due to the necessity of strengthening establishments in order to keep pace with the growing demands of the country. I do not think that anyone who has actual experience of the working of the Government in India is likely to think that the present establishments are too large. There are no harder-worked body of officials to be found anywhere than the Secretariat officers of the Government of India.

	£.
1871-72 - -	3,000
1880-81 - -	18,000
Increase - -	15,000

110. There is an increase of 37,000 *l.* under *Offices of Account and Audit*. The increase is general, and is due to the necessity of increased establishment to meet the work of the Account Offices, which, of course, grows as the revenue and expenditure expand. I am very strongly of opinion that it is false economy to starve expenditure under this head.

111. There is an increase of 12,000 *l.* under *Allowances to Presidency Banks*. Under the contracts entered into by the Government with the Presidency Banks and their branches, the following payments have to be made to the banks:—

(1) To cover all costs, and to maintain establishments for carrying on the general Government banking business and accounts—

	£.
Bank of Bengal - - - - - -	4,360 a year.
Bank of Bombay - - - - - -	1,224 „
Bank of Madras - - - - - -	1,200 „
£.	6,784

(2) The banks are reimbursed all actual expenses incurred by them in connection with the packing and shipping of specie remitted, on bills passed by the Comptroller General and the Accountants General of Madras and Bombay, respectively.

(3) For management of Government Savings Banks business, $\frac{3}{8}$ths per cent. per annum on the balance deposited with the bank at the beginning of the year, and also 8 annas for each active account.†

(4) For management of Public Debt and Securities, commission, as follows:—

	£.	
Bank of Bengal - - -	350	a year for each crore of rupees of that portion of the Public Debt and Securities of which interest is paid in British India, elsewhere than in Madras and Bombay.
Bank of Madras - - -	400	Similarly.
Bank of Bombay - - -	400	

112. The

* The post carriages between Umballa and Simla are worked by the Post Office.

† An arrangement has recently been made with the Presidency Banks, under which they are to receive a fixed annual payment, instead of, as heretofore, a percentage on Savings Bank deposits.

112. The increase in 1880–81, compared with 1871–72, amounted to 12,000 *l.*, and may be distributed as in the margin. The increase of 8,000 *l.* in Bengal is entirely due to larger payments for the management of the Public Debt having been made, owing to the augmentation of the Public Debt of India. Of the increase of 1,000 *l.* in Madras, half may be attributed to increased payments for the management of the Public Debt, and half for Savings Bank business. Of the increase of 3,000 *l.* in Bombay, 2,000 *l.* is due to increased payments for Savings Banks, and 1,000 *l.* for the management of Public Debt. The charge, so far as the management of the Public Debt is concerned, is one of a growing nature, and will increase with the increase of Public Debt of India.*

	£.
Bengal Bank -	8,000
Madras „ - -	1,000
Bombay „ - -	3,000
Total - -	12,000

113. Besides these items, it is to be observed that an increase of expenditure commenced under *Legislative Department including Legislative Council*, in 1876–77. The expenditure was at the highest point in 1879–80 (32,413 *l.*). During the two following years the expenditure was even lower than that of 1871–72. Up to the year 1871–72 the salary of the Secretary in the Legislative Department amounted to 3,000 *l.* a year, or 2,500 rupees a month. In 1872–73, however, this salary was raised to 4,200 *l.*, or 3,500 rupees a month, and has continued at this rate up to the present time. In the year 1876–77, owing to increase of work in the Legislative Department, a Deputy Secretary on 2,000 rupees a month was added to the staff of that department. The rest of the increase is due to a larger number of additional members having been retained in the Legislative Council.

114. I now turn to a consideration of the expenditure of 1881–82. The expenditure in India amounted to 1,263,000 *l.*, being 28,000 *l.* less than the expenditure of 1880–81 (1,291,000 *l.*). This is a net figure, and is made up as follows:—

	Increase.	Decrease.
	£.	£.
Heads of Administration - - - -	- - -	3,000
Staff and Household of ditto - - -	- - -	5,000
Council - - - - - - - -	- - -	5,000
Tour expenses of the Government of India -	- - -	19,000
Secretariats - - - - - - -	- - -	5,000
Consulting Naval Officer - - - -	- - -	2,000
Provincial and Local Funds Establishments	1,000	—
Money Order Department - - -	- - -	1,000
Offices of Account and Audit - - -	8,000	—
Other heads - - - - - - -	3,000	—
TOTAL - - - £.	12,000	40,000
Net Decrease - - - £.	28,000.	

115. The decrease of 3,000 *l.* under *Heads of Administration* is due to temporary causes, such as that between the death of Mr. Adam and the arrival of Mr. Grant Duff, the Senior Member of Council officiated as Governor of Madras on a relatively low salary.

116. The decrease of 5,000 *l.* under *Staff and Household, &c.*, occurs mainly in the Office of the Private Secretary to the Viceroy, and is due to decreased cost of telegrams consequent on the termination of the Afghan War.

117. The decrease of 5,000 *l.* under *Council* is due to the temporary abolition of the office of Public Works Member of Council.

118. The decrease of 19,000 *l.* under *Tour expenses of the Government of India* is mainly due to the cause which I have already mentioned (*see* paragraph 109).

119. The decrease of 5,000 *l.* under *Secretariats* is principally due to the absence of abnormal telegraph charges in the Foreign Department of the Government of India, which in the previous year were necessary owing to the Afghan War (*see* paragraph 109*a*). The decrease would have been greater but for the re-establishment of the Revenue and Agricultural Department. This department was abolished in 1879, but its re-establishment was strongly recommended by the Famine Commissioners (see *Report*, Part II., p. 140), and it was accordingly re-established in 1881–82.

120. The

* An arrangement has recently been made with the Presidency Banks under which they are to receive a fixed annual payment, instead of, as heretofore, a percentage on Savings Bank deposits.

120. The office of the *Consulting Naval Officer* to the Government of India was abolished in 1880–81, thus causing a saving of 2,000 *l.* in 1881–82 as compared with the expenditure of 1880-81, and of about 4,500 *l.* as compared with the expenditure of previous years.

121. The decrease of 1,000 *l.* under *Money Order Department* is nominal, and is due to the transfer in 1880–81 of the Money Order Department from the Civil to the Postal Department.

122. The increase of 8,000 *l.* under *Offices of Account and Audit* is general, and is due to the increase of work in Account offices (*see* remarks in paragraph 110).

123. I now turn to the expenditure of 1882–83 (Revised Estimate). This is estimated at 1,328,000 *l.*, being 65,000 *l.* more than the expenditure of 1881–82 (1,263,000 *l.*), but only 37,000 *l.* more than that of 1880–81 (1,291,000 *l.*). The increases over 1880–81 and over 1881–82 are net figures, and are made up of the following items :—

000s. *omitted.* £. 1. = *Rs.* 10.

Head of Account.	1882-83 (Revised Estimate) compared with 1880-81 (Actuals).		1882-83 (Revised Estimate) compared with 1881-82 (Actuals).	
	Increase.	Decrease.	Increase.	Decrease.
	£.	£.	£.	£.
Heads of Administration	—	—	3	—
Staff and Household, &c.	4	—	9	—
Council	—	1	4	—
Tour expenses, Government of India	—	3	15	—
„ Local Governments	6	—	5	—
Legislative Council	9	—	10	—
Secretariats	—	3	2	—
Consulting Naval Officer	—	2	—	—
Board of Revenue and Financial Commissioner	—	1	—	—
Offices of Account and Audit	14	—	6	—
Provincial and Local Funds Establishments	10	—	8	—
Paper Currency Department	—	1	—	2
Money Order Department	—	1	—	—
Allowances to Presidency Banks	5	—	4	—
Other heads	1	—	1	—
Total £.	49	12	67	2
Net Increase	37		65	

124. The estimated expenditure in 1882–83 under *Heads of Administration* (94,620 *l.*) is normal. It is, indeed, about 3,000 *l.* more than the expenditure of 1881–82 (91,971 *l.*), but, as I have already explained (paragraph 115), the expenditure in that year was, owing to temporary causes, abnormally low. The estimated expenditure of 1882–83 (94,620 *l.*) is slightly less than that of 1880–81 (95,003 *l.*).

125. The estimated expenditure under *Staff and Household, &c.* (71,320 *l.*), is abnormally high, being about 9,000 *l.* in excess of the expenditure of 1881-82 (61,863 *l.*), and about 4,000 *l.* in excess of the expenditure of 1880–81 (66,818 *l.*). The increase is due to heavy telegraphic charges on account of the Egyptian War. Some of this expenditure comes back in the form of receipts under *Telegraph*.

126. The estimated expenditure in 1882–83 under *Council* (66,090 *l.*) is about 1,000 *l.* less than that of 1880–81 (66,959 *l.*), but about 4,000 *l.* more than that of 1881–82 (61,999 *l.*). This is due to the appointment of a Public Works Member of Council. The appointment was, in my opinion, very necessary in the interests of economy.

127. The estimated expenditure in 1882–83 under *Tour expenses of the Government of India* (87,444 *l.*) is about 3,000 *l.* less than the expenditure of 1880-81 (90,856 *l.*), but 15,000 *l.* more than that of 1881–82 (71,749 *l.*). The increase is only nominal. It is due to the Government having moved to Simla before the close of the financial year 1882–83. It will be seen that the estimated expenditure of 1883–84 under this head is only 70,636 *l.*, a reduction of about 17,000 *l.* as compared with the estimated expenditure of 1882–83.

128. *Tour expenses of Local Governments* (26,760 *l.*) show an estimated increase in 1882–83 of about 6,000 *l.* as compared with 1880–81 (20,888 *l.*), and of about 5,000 *l.* as compared with 1881–82 (22,010 *l.*). This is due to alterations in the rules. The increase in this case is real.

129. Under *Legislative Council* (29,650 *l.*) there is an estimated increase in 1882–83 of about 9,000 *l.* as compared with 1880–81 (20,356 *l.*), and of about 10,000 *l.* as compared with 1881–82 (19,361 *l.*). The increase is due to the salaries and deputation and travelling allowances of additional and non-official members. The number of members present with the Council varies according to the work to be done. It will be seen that,

that, although in 1880-81 the expenditure was only 20,356 *l.*, in 1879-80 it was as much as 32,413 *l.*, being the highest expenditure of any of the years under review.

130. Under *Secretariats* (340,552 *l.*) the estimated expenditure in 1882-83 is normal.

131. Under *Offices of Account and Audit* (193,600 *l.*) there is an estimated increase of expenditure in 1882-83 of about 14,000 *l.* as compared with 1880-81 (180,211 *l.*), and of about 6,000 *l.* as compared with 1881-82 (187,855 *l.*). I beg to refer to the remarks made on this subject in paragraph 110.

132. Under *Provincial and Local Funds Establishments* (24,000 *l.*) there is an estimated increase in 1882-83 of about 10,000 *l.* as compared with 1880-81 (14,348 *l.*), and of about 8,000 *l.* as compared with 1881-82 (15,792 *l.*). Of this increase, 5,000 *l.* in Madras is nominal, being due to a transfer of charge from other sub-heads of account. The remainder occurs in Bengal and Madras. In the former province it is due to a revision of the office of the Examiner of Local Fund Accounts, a very necessary measure. In Madras it is due to the general growth of Local Funds Establishments.

133. As regards the increase under *Allowances to the Presidency Banks,* I beg to refer to the remarks made in paragraphs 111-112.

134. I now turn to the estimated expenditure of 1883-84, amounting to 1,315,900 *l.* This is about 25,000 *l.* more than the expenditure of 1880-81 (1,291,483 *l.*), but about 12,000 *l.* less than the estimated expenditure of 1882-83 (1,328,000 *l.*). The differences are shown in the following table:—

000s *omitted.* £. 1 = *Rs.* 10.

Heads of Account.	1883-84 (Budget Estimate) compared with 1880-81 (Actuals).		1883-84 (Budget Estimate) compared with 1882-83 (Revised Estimate).	
	Increase.	Decrease.	Increase.	Decrease.
	£.	£.	£.	£.
Heads of Administration	-	1	-	1
Staff and Household, &c.	-	2	-	6
Council	2	-	3	—
Tour expenses, Government of India	-	20	-	17
Ditto Local Governments	4	-	-	2
Commissioner of Sind	2	-	2	—
Legislative Council	5	-	-	4
Secretariats	-	6	-	3
Consulting Naval Officer	-	2	—	—
Board of Revenue and Financial Commissioner	-	2	—	—
Offices of Account and Audit	27	-	13	—
Provincial and Local Funds Establishments	10	-	—	—
Paper Currency Department	2	-	3	—
Money Order Department	-	1	—	—
Allowances to Presidency Banks	6	-	1	—
Other heads	-	-	-	1
Total £.	58	34	22	34
Net increase + or decrease —	+ 24		— 12	

135. The estimated expenditure in 1883-84 under *Heads of Administration* (93,480 *l.*) is about normal, but the estimate is slightly lower than the actual expenditure of 1880-81 (95,003 *l.*), or the estimated expenditure of 1882-83 (94,620 *l.*)

136. The estimated expenditure in 1883-84 under *Staff and Household, &c.* (64,918 *l.*), is about 2,000 *l.* less than that of 1880-81 (66,818 *l.*), and about 6,000 *l.* less than that of 1882-83 (71,320 *l.*). As I have already explained (paragraph 125), the expenditure under this head was abnormally high in 1882-83 owing to heavy telegraphic charges consequent on the Egyptian War.

137. The estimated expenditure in 1883-84 under *Council* (69,470 *l.*) is about 2,000 *l.* more than in 1880-81 (66,959 *l.*), and about 3,000 *l.* more than the estimated expenditure 1882-83 (66,090 *l.*). This increase is due to the appointment of a Public Works Member of Council in August 1882.

138. The estimated expenditure in 1883-84 under *Tour expenses of the Government of India* (70,636 *l.*) shows a decrease of about 20,000 *l.* as compared with 1880-81 (90,856 *l.*), and of about 17,000 *l.* as compared with the estimated expenditure of 1882-83 (87,444 *l.*). The charges of these two years were, as I have already explained (paragraphs 109 and 127), abnormally high.

139. The estimated expenditure in 1883-84 under *Tour expenses of Local Governments* (25,200 *l.*) shows a decrease of about 2,000 *l.* as compared with the estimated expenditure of 1882-83 (26,760 *l.*), but an increase of about 4,000 *l.* as compared with 1880-81 (20,888 *l.*). I have already (paragraph 128) explained the cause of this increase.

140. The estimated expenditure in 1883-84 under *Commissioner of Sind* (12,500 *l.*) shows an increase of about 2,000 *l.* compared with the year 1880-81 (10,431 *l.*), and with the estimated expenditure of 1882-83 (10,900 *l.*). The increase is on account of additional clerks, translators, servants, and others, and heavy miscellaneous charges expected in 1883-84.

141. The estimated expenditure in 1883-84 under *Legislative Council* (25,480 *l.*) shows an increase of about 5,000 *l.* compared with 1880-81 (20,356 *l.*), but a decrease of about 4,000 *l.* compared with the estimated expenditure of 1882-83 (29,650 *l.*). I have already (paragraph 129) explained the reasons of these fluctuations.

142. The estimated expenditure in 1883-84 under *Secretariats* (337,534 *l.*) shows a decrease of about 3,000 *l.* compared with the estimated expenditure of 1882-83 (340,552 *l.*), and of about 6,000 *l.* compared with 1880-81 (343,393 *l.*). This is mainly due to lower expenditure on telegrams.

143. As I have already explained (paragraph 120), the office of *Consulting Naval Officer* was abolished in 1880-81, thus causing a saving of about 2,000 *l.* in 1883-84 as compared with 1880-81.

144. The estimated saving of 2,000 *l.* under *Board of Revenue and Financial Commissioner* in 1883-84 (87,150 *l.*) as compared with 1880-81 (88,867 *l.*) is nominal, and is due to a transfer in Madras to other sub-heads of account (*see* paragraph 132).

145. Under *Offices of Account and Audit* (207,072 *l.*) there is in 1883-84 an estimated increase of about 27,000 *l.* compared with 1880-81 (180,211 *l.*), and of about 13,000 *l.* as compared with the estimated expenditure of 1882-83 (193,600 *l.*). Of this increase, 9,000 *l.* occurs in the Comptroller General's Office, 2,000 *l.* in the Office of the Accountant General, Public Works Department, 3,000 *l.* in the Office of the Accountant General, Bombay, and the rest in the several other offices of Account. Of the increase of 9,000 *l.* in the Comptroller General's Office, about 3,000 *l.* is due to provision having been made for the Auditor General's establishment. The creation of this appointment was recommended by the Committee which sat at the India Office after the failure of the War Estimates in 1880-81. About 1,500 *l.* is for purchase of furniture for the new Treasury Buildings, and 1,000 *l.* for office rent. The rest of the increase occurs in the salaries of officers. The late re-organisation of the Account Department involved some increase of expense in almost all Civil Account offices. Revisions of establishments involving additional cost have also been sanctioned, owing to increase of work in the Account offices. I beg to refer to the remarks on this subject in paragraph 110.

146. The estimated expenditure in 1883-84 under *Provincial and Local Funds Establishments* (24,270 *l.*) is about the same as in 1882-83 (24,000 *l.*). It is about 10,000 *l.* more than the expenditure of 1880-81 (14,348 *l.*). I have already (paragraph 132) explained the causes of this increase. About 5,000 *l.* of it is only nominal.

147. The estimated expenditure in 1883-84 under *Paper Currency Department* (26,093 *l.*) is about 2,000 *l.* in excess of the expenditure of 1880-81 (24,177 *l.*), and about 3,000 *l.* in excess of the estimated expenditure of 1882-83 (23,134 *l.*). The increase is due to the creation of a Currency Office for British Burma.

148. I have already explained (paragraph 121) that the estimated decrease of expenditure in 1883-84 as compared with 1880-81, amounting to 1,000 *l.*, under *Money Order Department*, is only nominal.

148 (*a*). Under *Allowances to Presidency Banks* (43,400 *l.*) there is an estimated increase of about 6,000 *l.* in 1883-84 as compared with 1880-81 (36,905 *l.*), and of about 1,000 *l.* as compared with the estimated expenditure of 1882-83 (42,540 *l.*). The causes of this increase are stated in paragraphs 111-112.

149. I have so far only dealt with expenditure in India. I am unable to give full explanations as regards the expenditure in England; but I may say, in respect to the relatively high estimates of expenditure in 1882-83 (249,700 *l.*) and in 1883-84 (239,000 *l.*), that the increase of expenditure is to some extent only nominal. The cost of printing currency notes, which was unusually high in 1882-83, owing to the establishment of a new circle in Burma, appeared prior to 1882-83 under *Stationery and Printing*, but now appears under *General Administration*. The cost of printing the new Stock Notes also appears under this latter head.

150. Law and Justice (Including Court Fees).

000s *omitted.* £.1 = *Rs.* 10.

YEAR.	Under *Law and Justice.*					Under *Stamps.*					Net Cost of *Law and Justice.* Difference of Columns 5 and 10.
	Expenditure.	Receipts.	Refunds.	Receipts after Deduction of Refunds. Difference of Columns 2 and 3.	Net Expenditure. Difference of Columns 1 and 4.	Revenue from Court Fees.	Refunds.	Revenue after Deduction of Refunds. Difference of Columns 6 and 7.	Expenditure.*	Net Revenue. Difference of Columns 8 and 9.	
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1871-72 - -	2,820	559	31	528	2,292	1,640	31	1,609	72	1,537	755
1872-73 - -	2,818	595	32	563	2,255	1,729	35	1,694	61	1,633	622
1873-74 - -	2,961	627	40	587	2,374	1,831	36	1,795	52	1,743	631
1874-75 - -	3,039	607	35	572	2,467	1,898	36	1,862	70	1,792	675
1875-76 - -	3,064	594	38	556	2,508	1,975	37	1,938	63	1,875	633
1876-77 - -	3,131	609	43	566	2,565	1,985	36	1,949	58	1,891	674
1877-78 - -	3,168	618	40	578	2,590	2,064	34	2,030	62	1,968	622
1878-79 - -	3,297	647	39	608	2,689	2,151	35	2,116	66	2,050	639
1879-80 - -	3,281	659	40	619	2,662	2,145	33	2,112	66	2,046	616
1880-81 - -	3,204	688	46	642	2,562	2,186	34	2,152	64	2,088	474
Total - - £.	30,783	6,203	384	5,819	24,964	19,604	347	19,257	634	18,623	6,341
Average - - -	3,078	620	38	582	2,496	1,960	35	1,925	63	1,862	634
1881-82 - -	3,233	677	(*a*)	677	2,556	2,301	38	2,263	67	2,196	360
1882-83 (Revised Estimate).	3,273	662	(*a*)	662	2,611	2,332	37	2,295	72	2,223	388
1883-84 (Budget Estimate).	3,347	645	(*a*)	645	2,702	2,342	36	2,306	63	2,243	459

* This includes the whole of "Court Fees Discount" and one-half of "Other Charges" (*see* Comptroller General's Explanatory Note, Appendix III.)

(*a*) Included, in 1881-82, 1882-83, and 1883-84, in the charges under *Law and Justice.*

151. Mr. Stanhope and Mr. Reid alluded specially in their recent speeches to the alleged increase of expenditure under this head. I invite particular attention to the table given above.

152. The first column shows the gross expenditure entered under *Law and Justice.* From this it would appear that there was a considerable increase of gross expenditure between 1871-72 and 1880-81. The expenditure was lowest in the year 1872-73, when it amounted to 2,818,000 *l.* It was highest in 1878-79, when it amounted to 3,297,000 *l.* In 1879-80 the expenditure was 3,281,000 *l.*; in 1880-81, 3,204,000 *l.*

153. The gross expenditure in 1881-82 (column 1) was 3,233,000 *l.*, being 155,000 *l.* in excess of the average expenditure of the 10 preceding years (3,078,000 *l.*), and 29,000 *l.* in excess of that of 1880-81 (3,204,000 *l.*), but 48,000 *l.* less than the expenditure of 1879-80 (3,281,000 *l.*), and 64,000 *l.* less than the expenditure of 1878-79 (3,297,000 *l.*).

154. In 1882-83 the gross expenditure is estimated at 3,273,000 *l.*, being 195,000 *l.* in excess of the average expenditure of the decade ending with 1880-81 (3,078,000 *l.*), and 69,000 *l.* in excess of the expenditure of 1880-81 (3,204,000 *l.*), but 8,000 *l.* less than the expenditure of 1879-80 (3,281,000 *l.*), and 24,000 *l.* less than the expenditure of 1878-79 (3,297,000 *l.*). I will deal presently with the estimated expenditure of 1883-84.

155. I now invite attention to column 3 (Refunds). It will be observed that in the case of the years 1881-82, 1882-83, and 1883-84, the entries are blank. The reason is, that up to and including the years 1880-81 refunds were debited to the head of *Refunds and Drawbacks.* Subsequent to 1880-81 they were added to the expenditure under *Law and Justice.* The result is that any comparison which does not take account of this change of procedure must necessarily be fallacious. The apparent increase is largely due to the fact that since 1880-81 refunds are shown as expenditure under *Law and Justice,* whereas prior to and including that year they were shown separately.

156. I now invite attention to column 2, which shows the receipts under *Law and Justice.* It will be seen that, though the receipts of the last three years compare favourably with the average of the preceding decade, they are less than those of 1880-81. The reason is, that in that year there happened to be an exceptionally large sum (54,000 *l.*) received on account of "Unclaimed and Escheated Property." The receipts under this head are, of course, quite accidental. Chance may bring in a good deal or very little.

157. Column 5 gives the net expenditure under *Law and Justice* only. It will be seen that the net expenditure of 1881–82 (2,556,000 *l.*), although 60,000 *l.* in excess of the average of the preceding 10 years (2,496,000 *l.*), was less than the expenditure in any year since 1876–77, inclusive. The estimated net expenditure in 1882–83 is 115,000 *l.* in excess of the average of the decade (2,496,000 *l.*), and 49,000 *l.* in excess of the expenditure of 1880–81 (2,562,000 *l.*). This latter excess is due to the accidental receipt in 1880–81 to which I have already alluded (paragraph 156). The net expenditure of 1882–83 is estimated at 51,000 *l.* less than that of 1879–80 (2,662,000 *l.*), and 78,000 *l.* less than that of 1878–79 (2,689,000 *l.*).

158. I have so far only dealt with figures which appear on both sides of the account under *Law and Justice.* It would, however, be a mistake to suppose that the real cost of the administration of the law is to be deduced from looking only at these figures. The cost of the law courts is mainly paid by suitors in the form of court fees, which are credited under *Stamps.*

159. Column 8 shows the gross revenue derived from this source after deduction of refunds. It will be seen that it has been steadily increasing. In 1871–72 it amounted to 1,609,000 *l.*; in 1880–81 to 2,152,000 *l.* Each successive year shows a steady increase, the average growth being about 60,000 *l.* a year. The revenue in 1881–82 was 2,263,000 *l.*, being 338,000 *l.* in excess of the average of the preceding 10 years (1,925,000 *l.*), and 111,000 *l.* in excess of the revenue for 1880–81 (2,152,000 *l.*). The estimated revenue of 1882–83 is 2,295,000 *l.*, being 370,000 *l.* in excess of the average of the 10 years ending with 1880–81 (1,925,000 *l.*), and 143,000 *l.* in excess of the last year of the decade (2,152,000 *l.*). The estimated revenue of 1883–84 is 2,306,000 *l.*, being 381,000 *l.* in excess of the average of the 10 years ending with 1880–81 (1,925,000 *l.*), and 154,000 *l.* in excess of the last year of the decade (2,152,000 *l.*). The estimate is a very moderate one, and it is almost certain to be exceeded. The receipts during the first quarter of the current year were about 30,000 *l.* in excess of the estimate.

160. Column 9 shows the expenditure under *Stamps.* As the revenue grows the expenditure must, of course, also grow, but the increase is very trifling. The expenditure in 1881–82 was 67,000 *l.*, being 4,000 *l.* in excess of the average of the 10 preceding years (63,000 *l.*), 3,000 *l.* in excess of the expenditure of 1880–81 (64,000 *l.*), and only 1,000 *l.* in excess of the expenditure in 1878–79 (66,000 *l.*) and 1879–80 (66,000 *l.*). It is 5,000 *l.* less than the expenditure in 1871–72 (72,000 *l.*), and 3,000 *l.* less than the expenditure in 1874–75 (70,000 *l.*). In 1882–83 the estimated expenditure is 72,000 *l.*, being 5,000 *l.* more than the expenditure of 1881–82 (67,000 *l.*). This increase is entirely due to unusually large purchases of stock consequent on the introduction of the system of impressed labels in the place of adhesive stamps. The estimated expenditure in 1883–84 is only 63,000 *l.*, being the same as the average expenditure for the 10 years ending with 1880–81 (63,000 *l.*).

161. Column 10 gives the net revenue under *Stamps.* The figures show a steady and very satisfactory increase.

162. Column 11 shows the real cost to the country of the administration of Law and Justice. The net revenue derived from Court Fees and credited under *Stamps* (column 10) is deducted from the net expenditure debited under *Law and Justice* (column 5). The figures are very satisfactory. The net expenditure in 1881–82 was only 360,000 *l.*, being 274,000 *l.* less than the average of the 10 preceding years (634,000 *l.*), and 114,000 *l.* less than the expenditure of 1880–81 (474,000 *l.*).

163. The estimated expenditure in 188283 is 388,000 *l.* This is 246,000 *l.* less than the average expenditure of the 10 years ending with 1880–81 (634,000 *l.*), 86,000 *l.* less than the expenditure of 1880–81 (474,000 *l.*), and much less than the expenditure of any preceding year. It is, however, 28,000 *l.* more than the net expenditure of 1881–82 (360,000 *l.*) In comparing the expenditure of the two years, it is to be borne in mind that whereas the figures for 1881–82 represent actual expenditure, those for 1882–83 are only an estimate. The actuals may possibly turn out better than the estimate. The estimated excess of 1882–83 over 1881–82 of 28,000 *l.* may be accounted for thus: (1) There was an increase of gross expenditure amounting to 40,000 *l.*, under *Law and Justice* (column 1). The expenditure under this head is greatly influenced by the cost of maintaining the prisoners in jails, which again depends largely on the price of food. The price of food in 1882–83, though low, was not so low as in 1881–82 or in 1880–81. Further, a portion of the cost of reorganising the Subordinate Civil Service, to which I have alluded in paragraph 34, is debited to *Law and Justice.* (2) The receipts under *Law and Justice* (column 2) are estimated at 15,000 *l.* less then in 1881–82. This is mainly due to the operation of the recent Government Resolution condemning the competition of jail with free labour. Under the policy set forth in that Resolution the jail receipts will, no doubt, show a tendency to diminish. This is, in my opinion, no matter for regret. (3) For the reasons which I have already given (paragraph 160), the expenditure under *Stamps* was 5,000 *l.* in excess of that of 1881–82.

164. I have said (paragraph 154) that I would deal separately with the figures for the year 1883–84. The estimated net expenditure in 1883–84 (column 11) is 459,000 *l.* This is 175,000 *l.* below the average expenditure of the 10 years ending with 1880–81 (634,000 *l.*), and 15,000 *l.* below the expenditure of the last year of the decade (474,000 *l.*).

It

It is, however, 99,000 *l.* above the expenditure of 1881-82 (360,000 *l.* and 71,000 *l.* above the estimated expenditure of 1882-83 (388,000 *l.*). The excess is due to the following causes:—

(1.) Provision has been made for an increase in the numbers of Munsiffs in Bengal. This will involve an increased expenditure of 10,000 *l.* a year. In this case the increase is real. A revision of the establishment of Munsiffs was very much required.

(2.) The main reason, however, of the estimated increase will appear on reference to column 1. The estimate of gross expenditure in 1883-84 under *Law and Justice* (3,347,000 *l.*) is taken at 74,000 *l.* in excess of that of 1882-83 (3,273,000 *l.*). Full provision has been made for the supply of food to prisoners in jails. In framing the Budget Estimate for 1883-84, it would not have been safe to have relied on the low prices of recent years. Should, however, there be no rise in the price of food, the actuals will, without doubt, fall considerably short of the estimate.

(3.) Receipts under *Law and Justice* (column 2) are taken at a low figure (645,000 *l.*), because it is not impossible that there will be a still further falling-off on account of jail receipts (*see* paragraph 163).

165. I have gone fully into this item, because it shows in a striking manner the imprudence of jumping at conclusions without a careful examination of all the facts of the case. Anyone looking merely at the figures entered on both sides of the account under *Law and Justice* would think that the expenditure is growing. A more careful examination of the figure shows, on the contrary, that the real net expenditure, which can only be shown by including a portion of the receipts shown under *Stamps*, is steadily diminishing.

166. POLICE.

000s *ommitted.* £. 1 = *Rs.* 10.

YEAR.	Expenditure.	Receipts.	Net Expenditure.	REMARKS.
	£.	£.	£.	
1871–72	2,538	350	2,188	
1872–73	2,421	236	2,185	
1873–74	2,437	239	2,198	
1874–75	2,443	208	2,235	
1875–76	2,469	235	2,234	
1876–77	2,513	217	2,296	
1877–78	2,483	255	2,228	
1878–79	2,419	211	2,208	
1879–80	2,495	228	2,267	
1880–81	2,524	242	2,282	
TOTAL £.	24,742	2,421	22,321	
Average	2,474	242	2,232	
1881–82	2,554	248	2,306	
1882–83 (*a*)	2,631	227	2,404	(*a*) Revised Estimate.
1883–84 (*b*)	2,708	226	2,482	(*b*) Budget Estimate.

167. The cost of police in India must be expected to grow with the advance of the country. It will be seen that the net cost, which in 1871–72 was 2,188,000 *l.*, had grown in 1880–81 to 2,282,000 *l.*, an increase of 94,000 *l.*

168. The expenditure in 1881-82 was 2,306,000 *l.*, being 74,000 *l.* in excess of the average of the preceding 10 years (2,232,000 *l.*), and 24,000 *l.* in excess of the last year of the decade (2,282,000 *l.*). The expenditure in 1882-83 is estimated at 2,404,000 *l.*, being 172,000 *l.* in excess of the average of the 10 years (2,232,000 *l.*), 122,000 *l.* in excess of the expenditure in 1880-81 (2,282,000 *l.*), and 98,000 *l.* in excess of the expenditure of 1881–82 (2,306,000 *l.*). The estimated expenditure of 1883–84 is 2,482,000 *l.*, being 250,000 *l.* in excess of the average of the 10 years ending with 1880-81 (2,232,000 *l.*), 200,000 *l.* in excess of the expenditure of 1880-81 (2,282,000 *l.*), and 78,000 *l.* in excess of the estimated expenditure of 1882-83 (2,404,000 *l.*).

169. Since 1880-81 there has been some real but very legitimate increase of expenditure. In Burma the village police has been remodelled and augmented. The police force has also been reorganised, and additional pay has been granted to the constables. In Bengal there has been an increase of expenditure on account of the purchase of arms for village police. In Bombay there is an increase attributable to increased cost of clothing

clothing in 1882–83, and to the purchase of arms in 1883–84. Some extra establishments were also sanctioned for 1883-84. There was an increase, which, however, is only nominal, under "Village Police" in Bombay, owing to the transfer to *Police* of one-third of the patels' allowances, which formerly appeared under the head of *Land Revenue*. On the other hand, as I have already mentioned (paragraph 55), there has been a nominal diminution of expenditure in Madras, amounting to about 12,000 *l.*, owing to the Police establishments, formerly employed on preventive service, being transferred to the Salt Department.

170. But by far the greater portion of the increase under this head is due to the fact that, when the quinquennial contracts were renewed at the end of 1881–82, the Provincial Governments took over the police charges heretofore borne by municipalities, and which therefore, did not formerly appear in the Accounts and Estimates of the Government, and handed over to them other branches of expenditure in their place. The reform was a very desirable one, and was universally approved. In the majority of instances, that is to say, where transfers of expenditure of similar amounts have taken place from Provincial to Municipal heads, the increase is, of course, only nominal. But in some cases the Provincial Governments, in order to relieve municipalities, took over more expenditure on account of Police than they handed over to municipalities under other heads. Thus, the Government of Bengal took over an expenditure of 44,000 *l.* on account of Police, and only handed over to municipalities an expenditure of 10,000 *l.* on account of Dispensaries and Hospitals, thus increasing Provincial expenditure and relieving the municipalities to the extent of about 34,000 *l.* a year (*see* paragraphs 65-67 of Financial Statement for 1882-83). To this extent, therefore, the municipalities in Bengal have had funds provided to them from Provincial revenues in order to provide for education, sanitation, &c.

171. MARINE (INCLUDING RIVER NAVIGATION).

000s *omitted.* £.1 = *Rs.* 10.

YEAR.	Expenditure. 1.	Receipts. 2.	Net Expenditure. 3.	REMARKS.
	£.	£.	£.	
1871-72	575	197	378	
1872-73	562	209	353	
1873-74	535	236	299	
1874-75	600	302	298	
1875-76	630	230	400	
1876-77	699	233	466	
1877-78	542	232	310	
1878-79	549	251	298	
1879-80	530	258	272	
1880-81	551	246	305	
TOTAL £.	5,773	2,394	3,379	
Average	577	239	338	
1881-82	623	238	385	
1882-83 (*a*)	546	212	334	(*a*) Revised Estimate.
1883-84 (*b*)	515	207	308	(*b*) Budget Estimate.

172. It will be seen that the average net expenditure under the head of *Marine* during the 10 years ending with 1880-81 was 338,000 *l.* The expenditure in 1881-82 was 385,000 *l.*, being 47,000 *l.* in excess of the average of the decade (338,000 *l.*), and 80,000 *l.* in excess of the net expenditure of the year 1880-81 (305,000 *l.*). The estimated net expenditure in 1882-83 is 334,000 *l.*, being 4,000 *l.* less than the average of the decade (338,000 *l.*), but 29,000 *l.* more than the net expenditure of the year 1880-81 (305,000 *l.*), The relatively high expenditure in 1881-82 and in 1882-83 is almost entirely due to the fact that a new troopship, costing 129,000 *l.*, was ordered in 1878, but was not commenced till towards the close of 1880. In 1882-83 also an arrear payment of 13,000 *l.*, due on account of Her Majesty's ships employed in the Indian seas, had to be made. The estimated expenditure in 1882-83 and in 1883-84 would have been higher, but that pensions and furlough allowances, which amount to 35,000 *l.* a year, have been transferred to *Superannuations, Retired and Compassionate Allowances*. Even, however, with this addition the estimated gross expenditure of 1883-84 (column 1) would only come to 550,000 *l.*, which is 27,000 *l.* less than the average of the decade (577,000 *l.*), and 1,000 *l.* less than the gross expenditure of the year 1880-81, (551,000 *l.*). With the addition of the 35,000 *l.* for pensions and furlough allowances, the estimated net expenditure of 1883-84 would

would come to 343,000 *l.*, which is only 5,000 *l.* in excess of the average of the decade ending with 1880-81 (338,000 *l.*). The excess is entirely due to the receipts having been taken at a low figure, namely 207,000 *l.*, as compared with the average of 239,000 *l.* during the 10 years ending with 1880-81. It is not at all impossible that the actual receipts will be higher than the estimate, and that the net expenditure will fall below the average of the decade ending with 1880-81. There is not any real tendency towards an increase of expenditure under *Marine*.

173. EDUCATION.

000 *omitted*. £.1 = *Rs.* 10.

YEAR.	Expenditure. 1.	Receipts. 2.	Net Expenditure. 3.	REMARKS.
	£.	£.	£.	
1871-72	850	157	693	
1872-73	881	148	733	
1873-74	912	151	761	
1874-75	985	141	844	
1875-76	1,020	147	873	
1876-77	1,004	150	854	
1877-78	1,003	153	850	
1878-79	978	147	831	
1879-80	967	140	827	
1880-81	998	170	828	
TOTAL £.	9,598	1,504	8,094	
Average	959	150	809	
1881-82	1,079	189	890	
1882-83 (*a*)	1,134	200	934	(*a*) Revised Estimate.
1883-84 (*b*)	1,200	205	995	(*b*) Budget Estimate.

174. Sir John Strachey, speaking of the increase of expenditure under *Education* between 1869-70 and 1880-81, which he estimated at 82,555 *l.*,* said,† "It is to be regretted that the increase has not been larger." It would, indeed, be difficult to assign a limit to the amount of money which might usefully be devoted to education in India.

175. It will be seen, from the foregoing table, that from 1871-72 to 1875-76 the net expenditure on education steadily increased. In 1871-72 it was 693,000 *l.*; in 1875-76 it was 873,000 *l.*; the increase in four years was, therefore, 180,000 *l.* Then came a severe famine and the Afghan War, with the result that the net expenditure fell in 1876-77 to 854,000 *l.*, in 1877-78 to 850,000 *l.*, in 1878-79 to 831,000 *l.*, and in 1879-80 to 827,000 *l.* In 1880-81 the Government was able to devote 998,000 *l.* (column 1) to education, but, owing to the rise in receipts, which amounted to 170,000 *l.* as compared to 140,000 *l.* in 1879-80, the net expenditure was only 828,000 *l.*

176. Almost the whole of the expenditure on education is Provincial, and it is satisfactory to see that, since the financial pressure due to the war was removed, the Local Governments have been able to devote larger sums to this very necessary object. In 1881-82 the net expenditure was 890,000 *l.*; in 1882-83 the estimated net expenditure is 934,000 *l.*, and in 1883-84, 995,000 *l.*

177. It is satisfactory to observe that since 1880-81, inclusive, the receipts on account of fees (column 2) have shown a steady tendency to rise. Prior to that period they had remained stationary, and had even fallen off. In 1871-72 they realised 157,000 *l.*, being the highest amount received during any year of the decade, except 1880-81. In 1879-80 they fell to 140,000 *l.*, being the lowest amount received during any year of the decade. In 1880-81 they rose to 170,000 *l.*, and since that year they have steadily increased; in 1881-82 they amounted to 189,000 *l.*; in 1882-83 they are estimated to amount to 200,000 *l.*; in 1883-84 they are estimated to amount to 205,000 *l.*; and it is very possible that this amount, being a Budget Estimate, will be exceeded.

* The correct figure is 71,000 *l.* When Sir John Strachey wrote, the Accounts for 1880-81 had not yet been made up; his figures were, therefore, those of the Revised Estimate.

† *Finances and Public Works of India*, p. 42.

178. ECCLESIASTICAL.

000s *omitted.* £. 1=*Rs.* 10.

YEAR.	Expenditure.	REMARKS.
	£.	
1871-72	158	
1872-73	157	
1873-74	164	
1874-75	166	
1875-76	162	
1876-77	164	
1877-78	158	
1878-79	155	
1879-80	156	
1880-81	159	
TOTAL £.	1,599	
Average	160	
1881-82	162	
1882-83 (Revised Estimate)	163	
1883-84 (Budget Estimate)	168	

179. The charges under this head fluctuate according to the number of Chaplains present on duty, and according to their rank. It will be seen that during the decade ending with 1880-81 the charges ranged from a maximum of 166,000 *l.* in 1874-75 to a minimum of 155,000 *l.* in 1878-79. The charge in 1881-82, for which year the accounts are closed, was 162,000 *l.*, being 2,000 *l.* in excess of the average. The estimated charge for 1882-83 is 163,000 *l.*; but full provision has to be made in framing estimates, and the actuals of expenditure almost invariably fall short of the estimate. The preliminary actuals for 1882-83 show an expenditure of 161,000 *l.*, being 2,000 *l.* below the Revised Estimate (163,000 *l.*), 1,000 *l.* below the expenditure of 1881-82 (162,000 *l.*), and only 1,000 *l.* in excess of the average of the 10 years ending with 1880-81 (160,000 *l.*). Full provision has been made under this head in 1883-84, but I have little doubt that the actual expenditure will fall short of the Budget Estimate of 168,000 *l.* The present Government has not, in fact, sanctioned any considerable increase of expenditure under this head. The variations are too trifling to require detailed notice.

180. MEDICAL.

000s *omitted.* £. 1=*Rs.* 10.

YEAR.	Expenditure. 1.	Receipts. 2.	Net Expenditure. 3.
	£.	£.	£.
1871-72	532	23	509
1872-73	594	32	562
1873-74	620	38	582
1874-75	657	46	611
1875-76	670	35	635
1876-77	669	37	632
1877-78	690	38	652
1878-79	669	44	625
1879-80	669	56	613
1880-81	667	43	624
TOTAL £.	6,437	392	6,045
Average	644	39	605
1881-82	683	40	643
1882-83 (Revised Estimate)	698	48	650
1883-84 (Budget Estimate)	723	49	674

181. The

181. The expenditure under this head shows a steady tendency to grow as the country advances. The increase is not to be regretted. Sir John Strachey (*The Finances and Public Works of India*, p. 42) says, speaking of the growth of expenditure under this head, "This signifies a greater number of hospitals and dispensaries, and is a matter for con- "gratulation." I agree with Sir John Strachey in thinking that a moderate growth of expenditure under this head is no cause for regret. In 1871–72 the net expenditure was only 509,000 *l.* In 1880–81 it was 624,000 *l.* In 1881–82 it was 643,000 *l.*, being 38,000 *l.* in excess of the average of the 10 preceding years (605,000 *l.*) and 19,000 *l.* in excess of 1880–81 (624,000 *l.*). The estimated expenditure in 1882–83 is 650,000 *l.*, being 45,000 *l.* in excess of the average of the 10 years ending with 1880–81 (605,000 *l.*), and 26,000 *l.* in excess of the expenditure in 1880–81 (624,000 *l.*). In 1883–84 the estimated expenditure is 674,000 *l.*, being 69,000 *l.* in excess of the average of the 10 years ending with 1880–81 (605,000 *l.*), and 50,000 *l.* in excess of the expenditure in 1880–81 (624,000 *l.*). The preliminary actuals of 1882–83 show that the actual expenditure is 24,000 *l.* below the estimate, and I do not doubt that the full amount of the estimate in 1883–84 will not be spent. In this, as in other cases, full provision is made in framing the Budget Estimate, but the actuals generally fall below the estimate.

182. In some cases the increase of expenditure under this head is only nominal. Thus, the charges on account of certain dispensaries towards which municipalities in Madras contributed are taken gross, instead of net as heretofore. This accounts for 2,000 *l.* In the North-Western Provinces there has been a transfer of the cost of maintaining dispensaries aided by Government, from the Dispensary Fund (an Excluded Local Fund) to Incorporated Local Funds. This accounts for 12,000 *l.* which now appears in the Accounts and Estimates, but which was formerly excluded. The following causes have also added to the expenditure:—

(1) Establishment of a Medical School in Hyderabad, Sind.

(2) Reorganisation of the staff of the Grant Medical College, Bombay.

(3) Additional vaccination and dispensary charges in the Punjab.

(4) The opening of new hospitals and dispensaries from Local Funds in Madras.

(5) The constitution of a reserve of civil and military subordinates in Madras, consequent on the separation of the civil and military branches.

(6) The opening of additional dispensaries in the Bombay Presidency.

All this expenditure is under Provincial control or is met from Local Funds. The Government of India has very little to do with it.

183. POLITICAL.

000 s. *omitted.* £.1 = *Rs.* 10.

YEAR.	Expenditure.	REMARKS.
	£.	
1871–72	316	
1872–73	392	
1873–74	367	
1874–75	405	
1875–76	430	
1876–77	505	
1877–78	469	
1878–79	449	
1879–80	431	
1880–81	531	
TOTAL £.	4,295	
Average	429	
1881–82	649	
1882–83 (*a*)	511	(*a*) Revised Estimate.
1883–84 (*b*)	442	(*b*) Budget Estimate.

LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC

184. It will be seen from the above table that from 1874–75 to 1879-80, both inclusive, the *Political* charges did not vary greatly. In 1880–81 they rose suddenly to 531,000 *l.*, being 100,000 *l.* in excess of the charges for 1879-80 (431,000 *l.*). This increase of expenditure was mainly due to the Afghan War.

185. In 1881–82 the charges amounted to no less than 649,000 *l.*, being 220,000 *l.* in excess of the average of the 10 preceding years (429,000 *l.*), and 118,000 *l.* in excess of the high expenditure of 1880–81 (531,000 *l.*). The following table shows the heads under which this increase occurred:—

000s *omitted.* £. 1 = *Rs.* 10.

Heads of Expenditure.	1880–81.*	1881–82.†	Increase in 1881–82.	Decrease in 1881–82.
	£.	£.	£.	£.
Salaries of Residents and Political Agents.	141,013	143,578	2,565	—
Establishments and Contingent charges	138,649	135,940	- -	2,709
Mhairwarra Battalion - - -	14,558	14,661	103	—
Ex-Amir of Afghanistan - - -	3,016	7,351	4,335	—
Establishments and miscellaneous charges on account of Khyber Tribes; also allowances to Khyber Tribes.	20,665	21,478	813	—
State Prisoners - - - - -	9,785	6,874	- -	2,911
Payments for guarding Hill Passes -	2,139	3,190	1,051	—
Durbar Presents, &c. - - - -	41,758	31,468	- -	10,290
Special Political charges - - -	4,000	6,341	2,341	—
Subsidy to Amir of Afghanistan -	- -	160,000	160,000	—
„ to Governor of Kandahar -	- -	10,000	10,000	—
„ to Khan of Khelat - -	10,000	10,513	513	—
Moiety of Zanzibar Subsidy - -	4,320	4,320	—	—
Allowances to Refugee Princes - -	1,147	936	- -	211
Allowances to Afghan Refugees - -	4,108	16,709	12,601	—
Naga Expedition - - - - -	2,364	49	- -	2,315
Entertainment of Envoys and Chiefs -	11,734	14,921	3,187	—
Yarkand Mission Charges - - -	- -	57	57	—
Petty Construction and Repairs - -	111	252	141	—
Rent, Rates, and Taxes - - -	392	676	284	—
Miscellaneous and sundry items - -	30,038	34,200	4,162	—
Delhi Assemblage, 1st January 1877 -	98	- -	- -	98
Travelling allowances - - -	4,596	- -	- -	4,596
Kabul Mission - - - - - -	405	- -	- -	405
Charges in England - - - -	86,287	25,832	- -	60,455
Total - - £.	531,183	649,346	118,163	—

* *Finance and Revenue Accounts*, 1880–81, p. 86.
† *Ibid*, 1881–82, p. 86.

186. It

186. It will be seen that, so far as salaries and establishments are concerned, the expenditure of 1881–82 was about the same as that of 1880–81. The increase is, in fact, wholly due either to circumstances arising out of the Afghan War, or out of our actual relations with Afghanistan. The following items testify to the accuracy of this statement:—

	£.
Salaries more -	2,565
Establishments less	2,709
Net less in 1881–82	144

	Increase of 1881-82 over 1880-81.
	£.
Allowances to the Ex-Amir of Afghanistan - -	4,335
Subsidy to the Amir of Afghanistan - - - -	160,000
„ Governor of Kandahar - - -	10,000
Allowances to Afghan Refugees - - - -	12,601
TOTAL - - - £.	186,936

187. The reduction in the Home charges of 1881–82 (60,455 *l.*) is due to the fact that the accounts of the previous year (1880–81) included a sum of 60,000 *l.* representing arrear payments for four years, at 15,000 *l.* a year, on account of Her Majesty's establishments in China.

188. In 1882-83 the charge under this head is estimated at 511,000 *l.*, which, although 82,000 *l.* in excess of the average for 10 years ending with 1880-81 (429,000 *l.*), is 138,000 *l.* less than the expenditure of 1881–82 (649,000 *l.*), and 20,000 *l.* less than that of 1880–81 (531,000 *l.*).

189. The estimated expenditure of 1883-84 is only 442,000 *l.*, but this estimate will probably be exceeded, as since it was framed a subsidy of 120,000 *l.* a year has been granted to the Amir of Afghanistan.

190. The charges for 1880–81 and 1881–82 were exceptionally high, and there can be no doubt that one of the consequences of the Afghan War will be to permanently increase the expenditure under *Political* as compared with the expenditure prior to the war. This increase is much to be regretted, but the present Government is in no way responsible for it.

190 (*a*). SCIENTIFIC AND OTHER MINOR DEPARTMENTS.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Expenditure. 1.	Receipts. 2.	Net Expenditure. 3.	REMARKS.
	£.	£.	£.	
1871–72 - - -	305	9	296	
1872–73 - - - -	396	21	375	
1873–74 - - - -	365	23	342	
1874–75 - - - -	373	29	344	
1875–76 - - - -	396	47	349	
1876–77 - - - -	352	53	299	
1877–78 - - - -	367	102	265	
1878–79 - - - -	355	85	270	
1879–80 - - - -	358	99	259	
1880–81 - - - -	401	78	323	
TOTAL - - - £.	3,668	546	3,122	
Average - -	367	55	312	
1881–82 - - - -	561	121	440	
1882–83 (*a*) - - -	467	85	382	(*a*) Revised Estimate.
1883–84 (*b*) - - -	496	70	426	(*b*) Budget Estimate.

191. It will be seen that the net expenditure of 1881–82 (column 3) was 440,000 *l.*, being 128,000 *l.* in excess of the average expenditure of the 10 years ending with 1880–81 (312,000 *l.*)

(312,000 *l.*), and 117,000 *l.* in excess of the last year of the decade (323,000 *l.*). The estimated expenditure of 1882-83 is 382,000 *l.*, being 70,000 *l.* in excess of the average of the 10 years ending with 1880-81 (312,000 *l.*), and 59,000 *l.* in excess of the expenditure of 1880-81 (323,000 *l.*). The estimated expenditure of 1883-84 is 426,000 *l.*, being 114,000 *l.* in excess of the average of the 10 years ending with 1880-81 (312,000 *l.*), and 103,000 *l.* in excess of that of 1880-81 (323,000 *l.*). It is 14,000 *l.* less than the expenditure of 1881-82 (440,000 *l.*), and 44,000 *l.* more than the estimated expenditure of 1882-83 (382,000 *l.*).

192. The following table shows in detail the gross expenditure (column 1) for 1880-81, 1881-82, 1882-83 (Revised Estimate), and 1883-84 (Budget Estimate):—

000s *omitted.* £. 1 = *Rs.* 10.

Head of Expenditure.	1880-81.	1881-82.	1882-83, Revised Estimate.	1883-84, Budget Estimate.
	£.	£.	£.	£.
Survey of India	120	135	135	145
Geological Survey	19	20	20	20
Exploration of Coal and Minerals	1	1	2	2
Meteorological Department	14	15	20	22
Archæological Department	8	10	10	12
Monuments of Antiquity	-	4	10	10
Museums	10	12	11	13
Observatories	3	1	3	3
Special Astronomical Observations	-	2	1	—
Donations to Scientific Societies	2	2	2	2
Agricultural Class	-	1	—	—
Model Farms	11	11	11	21
Experimental Factories	-	2	4	4
Cinchona Plantations	20	23	19	23
Cotton Department	1	1	1	1
Public Exhibitions and Fairs	13	10	9	16
Bull and Stallion charges	27	34	27	31
Veterinary Class	1	2	5	5
Botanical and other Public Gardens	34	37	37	39
Emigration	5	5	6	6
Inland Labour Transport Fund	5	5	4	5
Census charges	30	159	30	—
Registration of Railway Traffic	-	-	1	1
Registration of River-borne Traffic	2	1	4	4
Gazetteer and Statistical Memoirs	4	5	9	11
Provincial Statistics	17	18	16	18
Examinations	12	12	11	12
Management of Local Funds	10	9	9	10
Rents, Rates, and Taxes	1	1	1	1
Miscellaneous	1	2	2	3
Agricultural Department	-	-	6	19
Immigration	-	-	15	15
Art Industry	-	-	-	1
Stores and other charges in England	30	21	26	21
Total £.	401	561	467	496

193. It

193. It will be seen that under *Survey of India* there is in 1881–82 (135,000 *l.*), and in 1882–83(135,000 *l.*), an apparent increase of 15,000*l.* as compared with 1880–81 (120,000 *l.*). These figures do not, however, show the real increase over the expenditure of 1880-81 and previous years. An examination of this item shows in a striking manner the fallacy of Mr. Stanhope's method of comparison. A considerable number of survey officers were employed in Afghanistan during the years 1878-79, 1879-80, and 1880–81. The salaries of these officers appeared under *Army*. In 1878–79 the total charge on account of *Survey of India* was 134,000 *l.*, but of this amount only 128,000 *l.* appeared as a civil charge. The balance (6,000 *l.*) was treated as war expenditure. In 1879-80 the total charge was again 134,000 *l.*, but of this only 116,000 *l.* appeared as a civil charge. The balance (18,000 *l.*) was treated as war expenditure. The total expenditure of 1880–81 was abnormally low. It amounted to 129,000 *l.*, of which 120,000 *l.* appeared as a civil charge, and the balance (9,000 *l.*) was treated as war expenditure. Of course, when the war terminated, the survey officers reverted to their ordinary duties, and the whole of their salaries appeared as a civil charge. The expenditure of 1881-82 (135,000 *l.*), although 6,000 *l.* in excess of that of 1880-81 (129,000 *l.*), was only 1,000 *l.* in excess of that of 1879–80 (134,000 *l.*) and of 1878–79 (134,000 *l.*). The estimated expenditure of 1882–83 (135,000 *l.*), although 6,000 *l.* in excess of that of 1880–81 (129,000 *l.*), is only 1,000 *l.* more than that of 1879–80 (134,000 *l.*) and of 1878-79 (134,000 *l.*). The estimated expenditure of 1883–84 (145,000 *l.*) is high, but this is a very liberal estimate. The actual expenditure is almost sure to fall considerably short of the estimate.

194. There is an increase of expenditure under *Meteorological Department* as compared with 1880-81 (14,000 *l.*), amounting to 1,000 *l.* in the case of 1881–82 (15,000 *l.*), to 6,000 *l.* in 1882–83 (20,000 *l.*), and to 8,000 *l.* in 1883–84 (22,000 *l.*). It is to be borne in mind that for 1882–83 and 1883–84 the figures are not actuals, but estimates.

195. In connection with this and, indeed, with several other items, in respect to which an increase of expenditure has been incurred, especially under *Scientific and other Minor Departments*, I wish to observe that, when the pressure of the Afghan War was no longer felt, it became the duty of the Government to consider how far practical effect could be given to the recommendations of the Famine Commissioners. Almost all their recommendations involved an increased outlay of money. Had there been any question of imposing additional taxation, it would not have been possible to give effect to the views of the Famine Commissioners, but the Government was fortunately in a position to effect a large reduction of taxation. In a great many cases where expenditure has been increased during the last three years, the necessity of the increase was urged by the Famine Commissioners, and there can, I think, be no question that, if, as a result of that expenditure, something is done towards preventing famine, or, at all events, towards mitigating its disastrous consequences, the money will have been well spent. The Meteorological Department is a case in point. The Famine Commissioners, speaking of meteorological investigations, urged (*Report*, Part I., page 7) that, "as the expense of such "researches would be small, the measures which have recently been taken by the Govern- "ment of India to carry them out should be continued and even extended in the future." The Meteorological Department was therefore strengthened. Hence the estimated increase of expenditure in 1882–83 and 1883–84.

196. Under *Archæological Department* the expenditure was 8,000 *l.* in 1880–81, and 10,000 *l.* in 1881–82. In 1882–83 the estimated expenditure is 10,000 *l.*, and in 1883–84 12,000 *l.* The increase is temporary. It is due (1) to a special grant, to last till the end of 1883-84, made in Madras for the prosecution of the Archæological Survey in Southern India; and (2) to the establishment for three years of an Epigraphical Survey of India, at a cost of 1,776 *l.* a year.

197. The expenditure under *Monuments of Antiquity* dates from the year 1881-82, when it amounted to 4,000 *l.* The estimated expenditure of 1882-83 and of 1883–84 is 10,000 *l.* The decadence of the ancient monuments of India is, as Sir John Strachey frequently pointed out, a matter for great regret. The Government may, I think, very legitimately spend a moderate sum every year with a view to their preservation.

198. Under *Museums* the expenditure in 1880-81 was 10,000 *l.*, and in 1881–82 12,000 *l.* The estimated expenditure in 1882–83 is 11,000 *l.*, and in 1883–84, 13,000 *l.* The charge in 1880–81 was somewhat abnormally low, owing to the absence of one of the superior officers.

199. Under *Model Farms* there is no variation of expenditure during the years 1880-81 (11,000 *l.*), 1881–82 (11,000 *l.*), and 1882-83 (11,000 *l.*). In 1883–84 the estimated expenditure is 21,000 *l.* The increase of expenditure has been incurred in connection with the working of the Agricultural Department. *See* on this subject the remarks of the Famine Commissioners (*Report*, Part II., page 128).

200. Under *Experimental Factories* there was no expenditure in 1880-81. The expenditure in 1881-82 was 2,000 *l.* The estimated expenditure in 1882-83 and in 1883–84 is 4,000 *l.* The expenditure occurs mainly in the North-West Provinces, and is on account

of experiments in well-sinking,* the best method of curing land impregnated with *reh*, &c.

201. Under *Veterinary Class* the expenditure was 1,000 *l.* in 1880-81 and 2,000 *l.* in 1881-82. The estimated expenditure in 1882-83 and in 1883-84 is 5,000 *l.* If by this small expenditure the standard of knowledge on veterinary subjects in India be raised, the money will have been well spent. The increase of expenditure occurs in the Punjab and in Burmah. A veterinary school has been established at Lahore. The establishment of this school was recommended by the Government of India, and received the sanction of the Secretary of State. The object of the school is to afford instruction to natives in veterinary medicine and surgery, and so to supply a want much felt, not only in connection with horse-breeding operations, but in the mounted branches of the service generally, and in a marked degree in connection with the late war in Afghanistan. In Burmah the losses of plough cattle from disease have, up to the present time, been very heavy. The result of this high mortality has, of course, been to impoverish the cultivators. To mitigate the effects of constant outbreaks of cattle disease, it has been decided to train natives of the country as veterinary practitioners, and to distribute those who qualify themselves as such over the tracts in which the annual mortality in cattle is notoriously great. A veterinary school has, therefore, been established, and the expenditure which has been incurred in Burmah is in connection with this institution.

202. The *Census Charges* are, of course, altogether exceptional. They only occur once every 10 years. In 1880-81 the expenditure was 30,000 *l.* The estimated expenditure of 1882-83 is also 30,000 *l.* But the brunt of the expenditure fell on the year 1881-82. In that year it amounted to no less than 159,000 *l.* This mainly accounts for the high gross expenditure under *Scientific and other Minor Departments* in 1881-82 (561,000 *l.*) as compared with 1880-81 (401,000 *l.*) and 1882-83 (467,000 *l.*). Without the *Census Charges* the gross expenditure would stand thus: 1880-81, 371,000 *l.*; 1881-82, 402,000 *l.*; 1882-83, 437,000 *l.*

203. There was no expenditure on *Registration of Railway Traffic* in 1880-81 or in 1881-82. The estimated expenditure in 1882-83 and 1883-84 is 1,000 *l.* in each year. The expenditure under *Registration of River-borne Traffic* stands at 2,000 *l.* in 1880-81, and at 1,000 *l.* in 1881-82. The estimated expenditure in each of the years 1882-83 and 1883-84 is 4,000 *l.* The Secretary of State has often laid great stress on the desirability of obtaining accurate statistics as regards trade on the main routes.

204. The expenditure under *Gazetteer and Statistical Memoirs* was 4,000 *l.* in 1880-81 and 5,000 *l.* in 1881-82. The estimated expenditure in 1881-82 is 9,000 *l.*, and in 1883-84, 11,000 *l.* The increase of expenditure is in connection with the revision of the Imperial Gazetteer, the issue of an abridged edition, and the completion of some of the Local Gazetteers. The increase is only temporary.

205. There was no expenditure under *Agricultural Department* in 1880-81 or in 1881-82. In 1882-83 the estimated expenditure is 6,000 *l.*, and in 1883-84, 19,000 *l.* This is due to the establishment of Provincial Agricultural Departments. The adoption of this measure "at an early date" was strongly recommended by the Famine Commissioners (*Report*, Part II., page 140).

206. Under *Immigration* no expenditure was incurred in 1880-81 or in 1881-82. The estimated expenditure in 1882-83 is 15,000 *l.*, and in 1883-84, 15,000 *l.* The increase occurs wholly in Burmah, where an experiment is being made to see whether, by subsidising the British India and the Asiatic Steam Navigation Companies, labour can be attracted to the province.

207. Under *Art Industry* an expenditure of 1,000 *l.* occurs for the first time in 1883-84. This is for a technical school in Burmah. In future the charge will appear under *Education.*

208. It will be seen that the expenditure under *Stores and other Charges in England* shows a tendency to diminish. In 1880-81 it was 30,000 *l.*, and in 1881-82, 21,000 *l.* The estimated expenditure in 1882-83 is 26,000 *l.*, and in 1883-84, 21,000 *l.*

209. I have so far dealt with gross expenditure. The receipts under this head show a tendency to increase (*see* column 2 of table in paragraph 190*a*). In 1881-82 they amounted to 121,000 *l.*, being considerably in excess of the sum received in any former year. The estimated receipts in 1882-83 amount to 85,000 *l.*, which, although 36,000 *l.* below those of 1881-82 (121,000 *l.*), are 30,000 *l.* above the average of the 10 years ending with 1880-81 (55,000 *l.*). The estimated receipts of 1883-84 are only 70,000 *l.*, but this is a Budget Estimate, and will very possibly be exceeded.

210. There is, without doubt, a tendency to increase the expenditure under the head of *Scientific and other Minor Departments.* In connection with this subject I should wish to draw attention to the remarks made in paragraphs 61 and 62 of my Minute of 11th August 1883, to which this Minute constitutes an Appendix.

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* See *Report of Famine Commissioners*, Part II., page 169.

E.—MISCELLANEOUS.

211. INTEREST.

000s *omitted.* £.1=*Rs.* 10.

YEAR.	Receipts.	REMARKS.
	£.	
1871–72	371	
1872–73	519	
1873–74	467	
1874–75	559	
1875–76	578	
1876–77	543	
1877–78	534	
1878–79	628	
1879–80	748	
1880–81	876	
TOTAL £.	5,823	
Average	582	
1881–82	897	
1882–83 (*a*)	688	(*a*) Revised Estimate.
1883–84 (*b*)	651	(*b*) Budget Estimate.

212. The receipts under this head consist mainly of—

(1) Interest on Government securities (about 6,000,000 *l.*) held by the Paper Currency Department. The receipts on this account do not, of course, vary considerably.

(2) Interest on loans made to Municipalities, &c. The receipts under this head are for the most part only nominal, as, if the Government lends to Municipalities, its cash balance is by so much reduced, and the amount it has to borrow annually for Productive Public Works may be held by so much to be increased. Of recent years it has been the policy of the Government not to lend to Municipalities and Local Boards, save under exceptional circumstances, but to leave those bodies to borrow in the open market on their own credit. The receipts under this head may, therefore, be expected to diminish as the existing loans are paid off.

(3) Advances made to cultivators. The receipts under this head are also to a certain extent nominal.

(4) The premium, if any, realised on the annual loan issued for Productive Public Works. Under this latter head there have been considerable variations during the last few years.

213. It will be seen that in 1880-81 the receipts under *Interest* were 876,000 *l.*, being 128,000 *l.* in excess of those of 1879-80 (748,000 *l.*). The main reason for this difference is, that in 1879-80 no premium was realised upon the annual loan, whereas in 1880-81 a premium of 120,000 *l.* was realised on the 3½ per cent. sterling loan for 3,500,000 *l.* raised in that year.

214. In 1881-82 the receipts were 897,000 *l.* These large receipts were mainly due to the fact that the 4 per cent. rupee loan of 3,000,000 *l.* issued in 1881-82 was taken up at an exceptionally high figure ($105\frac{3}{16}$), thus yielding a premium of 155,000 *l.*

215. The receipts for 1882-83 are estimated at 688,000 *l.*, being 209,000 *l.* below those of 1881-82 (897,000 *l.*). This decrease is due (1) to the fact that the 4 per cent. loan of 2,500,000 *l.* issued in 1882-83 was taken up at a discount ($98\frac{15}{16}$); (2) to the fact that in 1881-82, 56,000 *l.* was realised on account of interest on investments of cash balances in England, whereas the receipts in England in 1882-83 are only taken at 24,000 *l.*, of which 13,000 *l.* is on account of premium realised on the issue of India 4 per cent. debentures.

216. The estimated receipts in 1883-84 are taken at 651,000 *l.*, being 37,000 *l.* below the estimated receipts of 1882-83 (688,000 *l.*). This is due (1) to the fact that the receipts in England have only been taken at 5,000 *l.* against 24,000 *l.* in the Revised Estimate for 1882-83. It is probable, however, that the receipts will be higher than the estimate, for after the estimate had been framed a sum of 1,001,393 *l.* (true sterling) was remitted home

on account of the Commissioners for the Reduction of Debt, and this amount has already been invested by the Secretary of State, so that the interest upon this sum during 1883-84 will be brought to credit; (2) there is a reduction in Bombay, amounting to about 4,000 *l.*, due to the fact that the Bombay Port Commissioners have paid off a portion of the loan of 760,000 *l.* made to them by the Government some years ago.

217. TERRITORIAL AND POLITICAL PENSIONS.

000s *omitted.* £.1=*Rs.* 10.

YEAR.	Expenditure.	REMARKS.
	£.	
1871-72	881	
1872-73	863	
1873-74	989	
1874-75	850	
1875-76	819	
1876-77	802	
1877-78	821	
1878-79	803	
1879-80	699	
1880-81	684	
TOTAL £.	8,211	
Average	821	
1881-82	682	
1882-83 (*a*)	688	(*a*) Revised Estimate.
1883-84 (*b*)	743	(*b*) Budget Estimate.

218. The expenditure in 1881-82 on *Territorial and Political Pensions* was 682,000 *l.*, being 139,000 *l.* below the average of the 10 preceding years (821,000 *l.*), and 2,000 *l.* below the expenditure of 1880-81 (684,000 *l.*).

219. The estimated expenditure in 1882-83 is 688,000 *l.*, which, although 4,000 *l.* above the expenditure of 1880-81 (684,000 *l.*), is 133,000 *l.* below the average expenditure of the 10 years ending with 1880-81 (821,000 *l.*).

220. The estimated expenditure in 1883-84 is 743,000 *l.* This amount, although 78,000 *l.* below the average of the 10 years ending with 1880-81 (821,000 *l.*), is 59,000 *l.* above the expenditure of 1880-81 (684,000 *l.*), 61,000 *l.* above that of 1881-82 (682,000 *l.*), and 55,000 *l.* above the estimated expenditure of 1882-83 (688,000 *l.*). The excess occurs almost entirely in England. It is due, in the first place, to an advance of 44,000 *l.*, with 4,000 *l.* on account of interest, to his Highness Maharajah Dhuleep Sing. This is an exceptional expenditure which will not recur. In the second place, it is due to a payment of 10,000 *l.* a year for the three years 1881-82, 1882-83, and 1883-84, to his Highness the Nawab Nazim Syud Munsoor Ali. This increase does not represent a fresh sanction of expenditure, but is merely the transfer to the head *Territorial and Political Pensions* of an amount formerly debited under the head "Remittance Account between England and India" in the Home accounts. Excluding these items, amounting in all to 58,000 *l.*, the estimated expenditure in 1883-84 is about normal (685,000 *l.*).

221. FURLOUGH ALLOWANCES.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Expenditure.	REMARKS.
	£.	
1871-72	173	
1872-73	156	
1873-74	258	
1874-75	217	
1875-76	229	
1876-77	236	
1877-78	237	
1878-79	232	
1879-80	215	
1880-81	224	
TOTAL £.	2,177	
Average	218	
1881-82	223	
1882-83 (*a*)	217	(*a*) Revised Estimate.
1883-84 (*b*)	227	(*b*) Budget Estimate.

222. The expenditure under this head varies according to the number of officers on furlough during the year. The average expenditure for the 10 years ending with 1880-81 was 218,000 *l.*, but this average is brought down by reason of the low expenditure in the two first years of the decade (1871-72 and 1872-73), namely, 173,000 *l.* and 156,000 *l.*, respectively. The expenditure in 1881-82 was 223,000 *l.*, being 5,000 *l.* in excess of the average of the 10 years ending with 1880-81 (218,000 *l.*), but 1,000 *l.* less than the expenditure of 1880-81 (224,000 *l.*). The estimated expenditure of 1882-83 is 217,000 *l.*, being 1,000 *l.* less than the average of the 10 years ending with 1880-81 (218,000 *l.*). The estimated expenditure in 1883-84 is 227,000 *l.*, being 9,000 *l.* in excess of the average of the 10 years ending with 1880-81 (218,000 *l.*), and 3,000 *l.* in excess of the last year of the decade (224,000 *l.*). The estimate is a liberal one, and in all probability the full amount will not be spent. A glance at the figures is sufficient to show that no case of extravagant expenditure during the last three years can be made out under this head. From 1881-82 furlough allowances of members of the Bengal Pilot Service, amounting to about 2,000 *l.*, were transferred to this head from *Marine*.

223. SUPERANNUATIONS.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Gross Expenditure. 1.	Receipts. 2.	Net Expenditure. 3.	REMARKS.
	£.	£.	£.	
1871-72	1,454	686	768	
1872-73	1,577	590	987	
1873-74	1,523	702	821	
1874-75	1,780	703	1,077	
1875-76	1,940	752	1,188	
1876-77	1,800	611	1,189	
1877-78	1,884	601	1,283	
1878-79	1,997	668	1,329	
1879-80	2,197	525	1,672	
1880-81	2,150	316	1,834	
TOTAL £.	18,302	6,154	12,148	
Average	1,830	615	1,215	
1881-82	2,182	356	1,826	
1882-83 (*a*)	2,167	293	1,874	(*a*) Revised Estimate.
1883-84 (*b*)	2,171	293	1,878	(*b*) Budget Estimate.

224. The Government for the time being can never, save in a slight degree, be responsible for the charges under this head. It has to bear the consequences of any rules as regards pensions made by its predecessors. So also, if the Government for the time being makes any changes in the rules, the effect is usually not felt at once. It is felt by subsequent Governments. It will, however, be as well to examine what the real increase of expenditure under this head has been.

225. Mr. Reid stated in the House of Commons, on 8th May 1883, that "the Superannuation and Pension Fund of the country had increased from 1,450,000 *l.* in 1872 to "2,150,000 *l.* in 1881." These figures are approximately correct if gross expenditure only be considered. The precise figure for 1871-72 is not, however, 1,450,000 *l.*, as stated by Mr. Reid, but 1,454,000 *l.* The increase of gross expenditure in 1880-81 as compared with 1871-72 is (2,150,000 *l.*—1,454,000 *l.*) 696,000 *l.*

226. If we look at net expenditure the result will be more unfavourable. The net expenditure in 1871-72 (column 3) was 768,000 *l.*, and in 1880-81, 1,834,000 *l.*; the increase of net expenditure was therefore (1,834,000 *l.*—768,000 *l.*) 1,066,000 *l.*

227. The real increase was, however, considerably less than this amount. The following table gives the detail of the gross expenditure (column 1 of table in para. 223), except for the years 1882-83 and 1883-84. I am unable as yet to give the details of the estimated expenditure in England for these two years.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Superannuation and Retired Allowances.	Compassionate Allowances.	Gratuities.	Donations to Service Funds.	Covenanted Civil Service Annuities.	Pensions of the Military and Medical Funds.	Indian Navy Fund; East India Company Maritime Service; late Indian Navy; Marine and Bengal Pilot Service.	Annuities of the Madras Civil Funds of 1800, 1814, and 1818.	Miscellaneous Items.	TOTAL.
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1871-72	467	(a) 51	19	227	–	665	20	2	3	1,454
1872-73	487	(a) 52	22	313	–	659	20	2	(b) 22	1,577
1873-74	489	(a) 47	26	230	39	669	19	2	2	1,523
1874-75	483	(a) 49	33	109	399	679	21	2	(c) 5	1,780
1875-76	504	(a) 47	22	113	401	829	19	2	3	1,940
1876-77	498	(a) 44	23	125	385	703	18	2	2	1,800
1877-78	522	(a) 44	55	119	408	691	18	1	1	(d) 1,859
1878-79	522	64	32	140	449	767	18	1	4	1,997
1879-80	590	51	257	140	422	717	18	1	1	2,197
1880-81	662	53	128	148	422	717	19	–	1	2,150
1881-82	660	48	31	154	416	805	67	–	1	2,182
1882-83 (e)	–	–	–	–	442	735	68	–	–	2,167
1883-84 (f)	–	–	–	–	460	731	68	–	–	2,171

(a) Compassionate allowances were not shown separately in the Home Accounts until after 1877-78. They were included under *Superannuation and Retired Allowances* (column 1). This accounts for the increase in *Compassionate Allowances* shown subsequent to 1877-78.

(b) Of this 20,000 *l.* represents grants to the younger children of the late Earl of Mayo.

(c) Includes 3,000 *l.* paid to Sir John Kaye for distinguished service.

(d) This is short of the figure given in Appendix III. to the Financial Statement for 1883-84, and which is repeated in the table in paragraph 223, by 25,000 *l.* The reason is that in the 13-year Statement attached to the Financial Statement for 1883-84 Local Fund pensions and gratuities are included. These are excluded in the Finance and Revenue Accounts for 1877-78, from which the figures in the table given above are taken.

(e) Revised Estimate.

(f) Budget Estimate.

228. I invite

228. I invite attention to columns 4 and 5 of this table. It will be seen that under *Donations to Service Funds* (column 4) there was a sudden diminution of the expenditure subsequent to 1872-73. On the other hand, the expenditure under *Covenanted Civil Service Annuities* (column 5) began simultaneously with the diminution of expenditure under *Donations to Service Funds*. This is due to the following cause. Prior to 1873-74 members of the Covenanted Civil Service paid 4 per cent. of their salary to an Annuity Fund. The whole of the salary was debited in the accounts under the service heads. On the other hand, the 4 per cent. deduction was credited to the Annuity Fund. For instance, if a District Officer received 1,000 *l.* a year, the whole of this 1,000 *l.* would, prior to 1873-74, have appeared as expenditure under, say, *General Administration*. On the other hand, 4 per cent. on 1,000 *l.*, *i.e.*, 40 *l.*, would have been credited to the Annuity Fund. The Government paid 8 per cent. interest on the assets of the Fund. Of this, 4 per cent. appeared as a charge under *Interest*, and 4 per cent. appeared as a *Donation to Service Funds* (column 4),* under the major head of *Superannuations*. Since 1873-74, when the Government took over the Annuity Funds, the net salaries have been debited to the service heads. For instance, a District Officer, who, prior to 1873-74, received 1,000 *l.* a year and paid 40 *l.* a year to the Fund, would, since 1873-74, receive 960 *l.* and make no payment to the Fund. As a result of this transaction the expenditure under *General Administration* and other service heads was reduced by an amount which may be roughly estimated at 60,000 *l.* a year. At the same time the 4 per cent. charge under *Interest* also ceased. This charge at the time the Funds were taken over amounted to about 200,000 *l.* It follows, therefore, that in comparing the expenditure of 1871-72 with that of 1880-81 allowance must be made for a saving in the latter, as compared to the former year, of 260,000 *l.* under other heads. The figures of gross expenditure would then stand thus:—

	£.	£.
Gross expenditure in 1871-72		1,454,000
„ „ 1880-81	2,150,000	
Deduct:—		
Savings under service heads	60,000	
„ „ *Interest*	200,000	
TOTAL Savings	260,000	
		1,890,000
Real Excess of 1880-81 over 1871-72		436,000

	£.
1872-73	313,000
1873-74	230,000
1874-75	109,000

	£.
1871-72	—
1872-73	—
1873-74	39,000
1874-75	399,000

229. Some further points have to be taken into account in considering these figures.

230. In the first place, it will be observed that after 1878-79 there was a large increase of expenditure under *Superannuation and Retired Allowances* (column 1), as well as under *Gratuities* (column 3). This increase is due to the large reductions in Public Works Establishments in 1879-80. It was estimated (Financial Statement for 1880-81, para. 165) that these reductions would result in a saving of salaries to the extent of 247,500 *l.* a year.

	Column 1	Column 3.
	£.	£.
1878-79	522,000	32,000
1879-80	590,000	257,000
1880-81	662,000	128,000
1881-82	660,000	31,000

231. The charge under *Superannuations and Retiring Allowances* (column 1) will be permanently increased by reason of these reductions; that is to say, the increase will last for many years, although, of course, the charge will diminish as the officers who were specially retired die off. On the other hand, the increase under *Gratuities* is only temporary, the payments being made once and for all. It will be seen that in 1881-82 the charge under this head was only 31,000 *l.*, as compared with 128,000 *l.* in 1880-81, and 257,000 *l.* in 1879-80.

232. In

* It will be seen that the payments under *Donations to Service Funds*, although greatly diminished subsequent to 1873-74, did not altogether cease. This is due to the fact that Government still continues to pay 8 per cent. interest on a portion of the Funds which was not taken over. There were also other funds independently of the Annuity Funds which the Government did not take over.

232. In the second place, the charge in 1881-82 (805,000 *l.*) under *Pensions of the Military and Medical Funds* (column 6) was abnormally high, owing to the return to subscribers, who elected to retire from the Bengal Medical Retiring Fund, of 90,000 *l.*, being the amount at their credit on 31st December 1881, with compound interest at 6 per cent., subject to a reduction of 10 per cent. This charge will not recur.*

233. In the third place, the estimated charges for 1882-83 and 1883-84 are increased by reason of the reductions in Customs Establishments, though, of course, the saving under the service head of *Customs* is greater than the increase under the head *Superannuations*. I have shown, in paragraph 63, that the estimated expenditure under *Customs* in 1883-84 (144,000 *l.*) is less than the average expenditure of the 10 years ending with 1880-81 (194,000 *l.*) by 50,000 *l.* On the other hand, the increase under *Superannuations* on account of pensions is about 12,000 *l.* a year, and the temporary increase under the same head during the years 1882-83 and 1883-84 on account of gratuities is about 25,000 *l.* In this case, as in the case of the Public Works Department reductions, the increase for pensions will last for some years, whilst that on account of gratuities represents payments made once and for all.

234. In the fourth place, it will be seen that there is a sudden increase from 19,000 *l.* in 1880-81 to 67,000 *l.* in 1881-82, and to 68,000 *l.* in 1882-83 and 1883-84, under *Indian Navy Fund, &c.* (column 7). This is due to the transfer to *Superannuations* of Marine pensions and retiring allowances, of pensions of officers of the late Indian Navy, and of pensions to members of the Bengal Pilot Service, amounting to about 48,000 *l.* a year. On the other hand, I believe I am correct in stating that an amount of about 21,000 *l.* in 1881-82, and 24,000 *l.* in 1882-83 and 1883-84, on account of military pensions, has been transferred in England from *Superannuations* to *Army*.

235. Again, the expenditure of the year 1882-83 is increased by reason of the provident branch of the late Bombay Civil Fund having been abolished, thus adding 11,300 *l.* to the expenditure of that year. There is, however, owing to the same cause, an estimated decrease in 1883-34 of about 6,000 *l.* under *Superannuations*, as well as a reduction of expenditure under the head of *Interest* of about 40,000 *l.*

236. There are so many disturbing causes in connection with these figures that it is difficult to make an accurate comparison which will bring out the real increase during recent years. If, however, we compare the figures of 1881-82, which is the last year for which I am able to give the details, with those of 1877-78, which I think may be said to be a normal year, we arrive at the following result:—

	£.	£.
Gross expenditure in 1877-78 (column 1 of table in paragraph 223)		1,884,000
Gross expenditure in 1881-82	2,182,000	
Deduct exceptional payments:—	£.	
Under column 6 of table in paragraph 227 (*see* paragraph 232)	90,000	
Transfer of Marine Pensions, &c. (48,000 *l.*), less 21,000 *l.* transferred to *Army* (*see* paragraph 234)	27,000	
	117,000	
Expenditure of 1881-82 for purposes of comparison with 1877-78		2,065,000
Real Excess of 1881-82 over 1887-78	£.	181,000

237. Against this increase of 181,000 *l.* the savings on account of salaries of Public Works officers (*see* paragraphs 230, 231) have to be balanced. On the whole, although the expenditure under *Superannuations* ought to be very carefully watched, I think it is quite clear that the growth under this head is by no means so serious as would at first sight appear.†

* I ought to mention that I do not profess to have gone thoroughly into the past history of all the funds, the transactions in connection with which bear on the figures in column 6 The task would be a very laborious one, and I have not time to spare for it.

† If the calculation be made for any year subsequent to 1881-82, the saving under *Customs* (*see* paragraphs 63 and 233) must, of course, be taken into account.

238. STATIONERY AND PRINTING.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Expenditure. 1.	Receipts. 2.	Net Expenditure. 3.	REMARKS.
	£.	£.	£.	
1871-72	213	17	196	
1872-73	242	32	210	
1873-74	258	55	203	
1874-75	261	50	211	
1875-76	262	59	203	
1876-77	454	50	404	
1877-78	442	35	407	
1878-79	472	47	425	
1879-80	418	56	362	
1880-81	485	62	423	
TOTAL £.	3,507	463	3,044	
Average	350	46	304	
1881-82	566	58	508	
1882-83 (*a*)	494	58	436	(*a*) Revised Estimate.
1883-84 (*b*)	462	57	405	(*b*) Budget Estimate.

239. Sir John Strachey said (*The Finances and Public Works in India*, page 43): "The expenditure for *Stationery and Printing* is large, but it is difficult to over-estimate "the advantage to the administration and the dispatch of public business resulting from "the free use of printing. A considerable reduction under this head was made in 1871-72 "and 1875-76, but it was not maintained."

240. A reference to the table given above (paragraph 238) will show that the charge under this head has been steadily increasing. In 1871-72 the net charge was only 196,000 *l.* In 1880-81 it was 423,000 *l.* The expenditure of 1881-82 (508,000 *l.*) was abnormally large, owing to exceptionally large purchases of stock, and to the heavy work of the census. The estimated expenditure of 1882-83 (436,000) is more moderate, and that of 1883-84 (405,000 *l.*) is 18,000 *l.* below that of 1880-81 (423,000 *l.*), but the expenditure would have been higher had not the cost of printing Currency Notes in England been transferred to the head of *General Administration* (*see* paragraph 149).

241. Considering the rapidly extending work in connection with the Post Office, Savings Banks, Money Orders, and Railways, an increase under this head is to be expected.

242. MISCELLANEOUS.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Expenditure. 1.	Receipts. 2.	Refunds. 3.	Receipts after deduction of Refunds (Difference of Columns 2 and 3). 4.	Net Revenue + or Expenditure — (Difference of Columns 1 and 4). 5.
	£	£.	£.	£.	£.
1871-72	456	702	66	636	+180
1872-73	700	658	55	603	— 97
1873-74	726	852	79	773	+ 47
1874-75	420	636	108	528	+108
1875-76	806	685	74	611	—195
1876-77	475	615	63	552	+ 77
1877-78	388	528	78	450	+ 62
1878-79	293	348	117	231	— 62
1879-80	342	337	74	263	— 79
1880-81	280	732	77	655	+375
TOTAL £.	4,886	6,093	791	5,302	+416
Average	489	609	79	530	+ 41
1881-82	391	396	(*a*)	396	+ 5
1882-83 (*b*)	339	326	(*a*)	326	— 13
1883-84 (*c*)	365	268	(*a*)	268	— 97

(*a*) Included, in 1881-82, 1882-83, and 1883-84, in expenditure (column 1). (*b*) Revised Estimate.
(*c*) Budget Estimate.

243. It will be observed that since 1881–82, inclusive, *Refunds* have been brought to account as expenditure under *Miscellaneous*. The Refunds for those years are, therefore, included in the figures given in column 1. On the other hand, in all previous years the figures in column 1 do not include Refunds. In order to make any accurate comparison, so far as the gross expenditure is concerned, we must deduct the Refunds in the three last years under review. The amount of Refunds in 1881–82 was 99,000 *l.* The estimated amount in each of the years 1882–83 and 1883–84 is 78,000 *l.* Deducting these amounts, the gross expenditure of 1881–82 (column 1) was (391,000 *l.* — 99,000 *l.*) 292,000 *l.* The estimated gross expenditure of 1882–83 is (339,000 *l.* — 78,000 *l.*) 261,000 *l.* The estimated gross expenditure of 1883–84 is (365,000 *l.* — 78,000 *l.*) 287,000 *l.* The figures compare very favourably with the average expenditure of the 10 years ending with 1880–81 (489,000 *l.*). No further remarks appear, therefore, to be required so far as the gross expenditure is concerned.

244. Looking to the receipts (column 2), it will be seen that they have varied very greatly. In 1873–74 they were as much as 852,000 *l.* In 1879–80 they were as low as 337,000 *l.* The average for the 10 years ending with 1880–81 is 609,000 *l.* The differences between the figures for the years 1873–74 to 1875–76 (both inclusive), which are given above (para. 242), and those in the 13 years' statement attached to the Financial Statement for 1883–84, are explained in para. 1.

245. I may mention that there were abnormal credits under this head in the year 1880–81, an item of 294,000 *l.* having been brought to credit by transfer from the Nizamat Stipend Fund (*see* Financial Statement for 1882–83, para. 12), and an item of 69,000 *l.* having been credited in the home accounts as sale proceeds of land adjoining the India Office.

246. FAMINE RELIEF.

000s *omitted*, £. 1 = *Rs.* 10.

YEAR.	Expenditure.	REMARKS.
	£.	
1871–72	—	
1872–73	—	
1873–74	3,865	
1874–75	2,243	
1875–76	602	
1876–77	2,145	
1877–78	5,346	
1878–79	313	
1879–80	104	
1880–81	34	
TOTAL £.	14,652	
Average	1,465	
1881–82	1,500*	
1882–83 (*a*)	1,500*	(*a*) Revised Estimate.
1883–84 (*b*)	1,500*	(*b*) Budget Estimate.

* Of these amounts, 750,000 *l.* was, or will (if in the case of 1883–84 there is no famine) be, applied to Protective Works, and 750,000 *l.* to the reduction of Debt.

247. In making his comparison, Mr. Stanhope deducted the money spent on *Famine Relief* during the decade ending with 1880–81. I need not, therefore, enter into any discussion of the expenditure under this head. The actual and estimated distribution of the Famine Insurance money during the three years 1881–82, 1882–83, and 1883–84, is shown in the following table:—

	1881–82.	1882–83.	1883–84.
	£.	£.	£.
Famine Relief	34,849	25,600	12,500
Protective Works (Canals and Railways)	750,000	144,200	1,355,800
Reduction of Debt	715,151	1,330,200	131,700
£.	1,500,000	1,500,000	1,500,000
	Actuals.	Estimates.	

G.—PRODUCTIVE PUBLIC WORKS (REVENUE ACCOUNT).

248. In the debate in the House of Commons on 8th May 1883, Mr. Reid said that the debt of India, which was only 30,000,000 *l.* in 1840, had risen to 106,000,000 *l.* in 1862, and to 156,000,000 *l.* in 1882. Mr. Reid appeared to think that these figures showed that the finances of India were in a very bad way. As I have often said before,* I do not at all wish to under-rate the difficulties connected with the financial administration of India, but it is disappointing, after the many explanations which have been given on this subject, still to hear arguments used tending to show that the rising debt of India is any proof that the financial position is unsound. It has been shown over and over again that with a rising debt there is a diminishing charge on account of interest. This subject was fully dealt with by Sir John and General Strachey in their recent work, and I cannot add much to what they have said. I will only say that, whereas, when they wrote, they were only able to give the figures up to 1880–81, if the figures up to the present time be added, the result would very much strengthen their argument.

249. The debt of India is divided into two distinct portions, namely, Ordinary Debt and Productive Debt. Of the total figure of 156,000,000 *l.*, at which the debt, both Ordinary and Productive, stood on 31st March 1882 (see *Finance and Revenue Accounts*, 1881–82, p. 161), about 97,000,000 *l.* was Ordinary, about 48,000,000 *l.* debt for Productive Public Works, and about 11,000,000 *l.* debt incurred on account of the East Indian Railway.

250. I have not a word to say in favour of the 97,000,000 *l.* of Ordinary Debt. The interest charge on this debt, which in 1881–82 amounted to 4,024,000 *l.*, but which, as I have already mentioned (para. 4), has now been slightly reduced, owing to the money which has been applied since 1881–82, inclusive, to the reduction of debt, constitutes a dead-weight on the country. It is the price India is now paying for the suppression of the Mutiny, and for the various wars in which she has been engaged during the present century. So long as peace is maintained it is improbable that this charge will increase. The increased charge on account of interest on any special famine loans will, it may be hoped, be balanced by the reduction of charge which it will be possible to effect in years in which there is no famine.

251. On the other hand, the debt on account of Productive Public Works, amounting to about 48,000,000 *l.*, entails at present a charge amounting to only about ·3 per cent. on the capital outlay, and the time is fast approaching when the works constructed out of this capital will not only pay the whole of their interest, but will yield a surplus profit to the State besides. I invite attention to the following table, showing the net revenue and expenditure on State Railways, Irrigation, and Miscellaneous Public Improvements, since 1879-80.† I should explain that in compiling this table the interest charge has been brought to account; that is to say, when it is stated that in 1876-77 the net expenditure on State Railways was 436,000 *l.*, what is meant is this, that the gross revenue was 381,000 *l.*, that the working expenses were 288,000 *l.*, that the interest charge on the capital expended was 529,000 *l.*, and that, therefore, the total charge on account of working expenses and interest, namely (288,000 *l.* + 529,000 *l.*), 817,000 *l.*, was 436,000 *l.* in excess of the gross revenue, 381,000 *l.*

000s *omitted.* £.1 = *Rs.* 10.

YEAR.	Net Revenue +, Expenditure —.				
	State Railways. 1.	Irrigation. 2.	Miscellaneous Public Improvements. 3.	TOTAL. 4.	REMARKS.
	£.	£.	£.	£.	
1879–80 - - -	—715	+342	—13	—386	
1880–81 - - -	—543	+190	—17	—370	
1881–82 - - -	—289	+116	—18	—191	
1882–83 (*a*) - - -	—177	+ 74	—20	—123	(*a*) Revised Estimate.
1883–84 (*b*) - - -	—150	+ 28	—22	—144	(*b*) Budget Estimate.

252. It

* *See* especially paragraph 8 of the Financial Statement for 1883–84.

† Before 1876-77, as I have already explained (paragraph 3), the interest on debt incurred for Productive Public Works was not separated in the Finance and Revenue Accounts from the interest on Ordinary Debt. Also, before 1878-79 the *Portion of Land Revenue due to Irrigation* was not credited to Productive Public Works Revenues (*see* paragraph 11), and the separation of the two charges made in 1878-79 was very imperfect (*see* paragraphs 260, 261). I commence the comparison therefore from 1879-80.

243. It will be observed that since 1881–82, inclusive, *Refunds* have been brought to account as expenditure under *Miscellaneous*. The Refunds for those years are, therefore, included in the figures given in column 1. On the other hand, in all previous years the figures in column 1 do not include Refunds. In order to make any accurate comparison, so far as the gross expenditure is concerned, we must deduct the Refunds in the three last years under review. The amount of Refunds in 1881–82 was 99,000 *l.* The estimated amount in each of the years 1882–83 and 1883–84 is 78,000 *l.* Deducting these amounts, the gross expenditure of 1881–82 (column 1) was (391,000 *l.* — 99,000 *l.*) 292,000 *l.* The estimated gross expenditure of 1882–83 is (339,000 *l.* — 78,000 *l.*) 261,000 *l.* The estimated gross expenditure of 1883–84 is (365,000 *l.* — 78,000 *l.*) 287,000 *l.* The figures compare very favourably with the average expenditure of the 10 years ending with 1880–81 (489,000 *l.*). No further remarks appear, therefore, to be required so far as the gross expenditure is concerned.

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YEAR.	Expenditure.	REMARKS.
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£.	1,500,000	1,500,000	1,500,000
	Actuals.	Estimates.	

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249. The debt of India is divided into two distinct portions, namely, Ordinary Debt and Productive Debt. Of the total figure of 156,000,000 *l.*, at which the debt, both Ordinary and Productive, stood on 31st March 1882 (see *Finance and Revenue Accounts*, 1881–82, p. 161), about 97,000,000 *l.* was Ordinary, about 48,000,000 *l.* debt for Productive Public Works, and about 11,000,000 *l.* debt incurred on account of the East Indian Railway.

250. I have not a word to say in favour of the 97,000,000 *l.* of Ordinary Debt. The interest charge on this debt, which in 1881–82 amounted to 4,024,000 *l.*, but which, as I have already mentioned (para. 4), has now been slightly reduced, owing to the money which has been applied since 1881–82, inclusive, to the reduction of debt, constitutes a dead-weight on the country. It is the price India is now paying for the suppression of the Mutiny, and for the various wars in which she has been engaged during the present century. So long as peace is maintained it is improbable that this charge will increase. The increased charge on account of interest on any special famine loans will, it may be hoped, be balanced by the reduction of charge which it will be possible to effect in years in which there is no famine.

251. On the other hand, the debt on account of Productive Public Works, amounting to about 48,000,000 *l.*, entails at present a charge amounting to only about ·3 per cent. on the capital outlay, and the time is fast approaching when the works constructed out of this capital will not only pay the whole of their interest, but will yield a surplus profit to the State besides. I invite attention to the following table, showing the net revenue and expenditure on State Railways, Irrigation, and Miscellaneous Public Improvements, since 1879-80.† I should explain that in compiling this table the interest charge has been brought to account; that is to say, when it is stated that in 1876-77 the net expenditure on State Railways was 436,000 *l.*, what is meant is this, that the gross revenue was 381,000 *l.*, that the working expenses were 288,000 *l.*, that the interest charge on the capital expended was 529,000 *l.*, and that, therefore, the total charge on account of working expenses and interest, namely (288,000 *l.* + 529,000 *l.*), 817,000 *l.*, was 436,000 *l.* in excess of the gross revenue, 381,000 *l.*

000s *omitted.* £.1 = *Rs.* 10.

YEAR.	Net Revenue +, Expenditure —.				REMARKS.
	State Railways. 1.	Irrigation. 2.	Miscellaneous Public Improvements. 3.	TOTAL. 4.	
	£.	£.	£.	£.	
1879–80 - - -	—715	+342	—13	—386	
1880–81 - - -	—543	+190	—17	—370	
1881–82 - - -	—289	+116	—18	—191	
1882–83 (*a*) - - -	—177	+ 74	—20	—123	(*a*) Revised Estimate.
1883–84 (*b*) - - -	—150	+ 28	—22	—144	(*b*) Budget Estimate.

252. It

* *See* especially paragraph 8 of the Financial Statement for 1883–84.

† Before 1876-77, as I have already explained (paragraph 3), the interest on debt incurred for Productive Public Works was not separated in the Finance and Revenue Accounts from the interest on Ordinary Debt. Also, before 1878-79 the *Portion of Land Revenue due to Irrigation* was not credited to Productive Public Works Revenues (*see* paragraph 11), and the separation of the two charges made in 1878-79 was very imperfect (*see* paragraphs 260, 261). I commence the comparison therefore from 1879-80.

252. It will be seen, from these figures, that the net charge on account of Productive Public Works in 1879-80 was 386,000 *l.*, and that since that year the net charge has been steadily falling. In 1881-82, which is the last year for which we have the final figures, the net charge was only 191,000 *l.* The estimated net charge in 1882-83 is 123,000 *l.*, and in 1883-84, 144,000 *l.* I have very little doubt that, when the accounts of 1882-83 and 1883-84 come to be closed, the results will prove better than the estimates. But, even taking the figures of the Budget Estimate for 1883-84, the net charge on the State is, as I have already mentioned (paragraph 251), only ·3 per cent. on the total capital outlay of 48,000,000 *l.*

253. If the net receipts on account of the Guaranteed Railways, and on account of the East Indian Railway, were added, the estimated net charge of 123,000 *l.* in 1882-83, and of 144,000 *l.* in 1883-84, would be turned into net receipts of 452,000 *l.* and 520,000 *l.*, respectively (*see* Comptroller General's Statement, Appendix III.). We know, from the preliminary actuals of 1882-83, that the results on the whole railway account will be somewhat better than the Revised Estimate, and during the first quarter of the current year (1883-84) the net result has been much better than the Budget Estimate. I now proceed to deal separately with each of the different heads which appear under *Productive Public Works* (*Revenue Account*).

254. State Railways.

000s *omitted.* £. 1 = *Rs.* 10.

Year.	Gross Earnings. 1.	Working and Maintenance. 2.	Interest on Capital Outlay.* 3.	Total of Columns 2 and 3. 4.	Net Revenue + or Expenditure — (Difference of Columns 1 and 4). 5.	Remarks.
	£.	£.	£.	£.	£.	
1871-72	4	8	61	69	— 65	
1872-73	16	11	101	112	— 96	
1873-74	40	46	178	224	— 184	
1874-75	131	86	285	371	— 240	
1875-76	293	196	408	604	— 311	
1876-77	381	288	529	817	— 436	
1877-78	582	426	666	1,092	— 510	
1878-79	977	740	913	1,653	— 676	
1879-80	1,549	1,215	1,049	2,264	— 715	
1880-81	2,269	1,608	(*a*)1,204	2,812	— 543	
Total £.	6,242	4,624	5,394	10,018	— 3,776	
Average	624	463	539	1,002	— 378	
1881-82	2,557	1,686	1,160	2,846	— 289	
1882-83 (*b*)	2,583	1,533	1,227	2,760	— 177	
1883-84 (*c*)	2,730	1,572	1,308	2,880	— 150	

(*a*) These figures do not correspond with the 13-year Statement in Appendix III. attached to the Financial Statement for 1883-84. The reason is that in the latter the interest on debt incurred on account of the capital expenditure on the East Indian Railway, since it became State property, is included. In the figures given above it is excluded (*see* table in paragraph 258).

(*b*) Revised Estimate.

(*c*) Budget Estimate.

* *See* paragraph 3. In the 13-year Statement attached to the Financial Statement for 1883-84 this interest charge is only shown from the year 1876-77, inclusive.

255. It is to be observed that the maximum charge (715,000 *l.*) was reached in 1879-80. Since that year the net charge has steadily decreased. In 1880-81 it was 543,000 *l.*, and in 1881-82 it was 289,000 *l.* The estimated charge in 1882-83 is 177,000 *l.*, and in 1883-84, 150,000 *l.* I have little doubt that these estimates, especially that for the current year, show a less favourable result than will be shown when the actuals are made up. Even as it is, however, the net charge to the State is exceedingly small. The estimated capital outlay on State Railways up to the end of 1883-84 is 33,773,000 *l.* The net charge in 1883-84 is estimated at 150,000 *l.*, that is to say, only ·44 per cent. on the capital outlay. I have no doubt whatever that, after a very short time, the State Railways will yield a net profit after paying for the full interest charge upon the money borrowed.

256. GUARANTEED RAILWAYS.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Net Traffic Receipts. 1.	Interest and Profits. 2.	Net Revenue+ or Expenditure—. 3.	REMARKS.
	£.	£.	£.	
1871–72	1,585	3,138	— 1,553	
1872–73	1,207	3,269	— 2,062	
1873–74	1,592	3,269	— 1,677	
1874–75	1,960	3,214	— 1,254	
1875–76	2,453	3,325	— 872	
1876–77	2,642	3,295	— 653	
1877–78	3,628	3,442	+ 186	
1878–79	2,710	3,526	— 816	
1879–80	2,476	3,394	— 918	
1880–81	2,894	3,411	— 517	
TOTAL £.	23,147	33,283	— 10,136	
Average	2,314	3,328	— 1,014	
1881–82	3,615	3,679	— 64	
1882–83 (*a*)	3,530	3,846	— 316	(*a*) Revised Estimate.
1883–84 (*b*)	3,539	3,884	— 345	(*b*) Budget Estimate.

257. It will be seen from the above table (column 3) that the maximum net charge on account of the Guaranteed Railways was reached in 1872–73. In that year they cost the State 2,062,000 *l.* Subsequently the net charge steadily decreased, until in the year 1877–78 a profit was realised of 186,000 *l.*; this, however, was only due to the very heavy traffic during the famine. During the next two years the country was suffering from the depression consequent on the famine. The result was that in 1878–79 there was a net loss of 816,000 *l.*, and in 1879–80 a net loss of 918,000 *l.* In 1880–81 the net charge had diminished to 517,000 *l.*, and in 1881–82 the net charge was only 64,000 *l.* The receipts during this year were swelled by the very heavy traffic consequent on the large exports of wheat to Europe. The estimated net loss of 1882–83 is 316,000 *l.*, which, although higher than the year 1881–82 (64,000 *l.*) by 252,000 *l.*, is less than the net charge of 1880–81 (517,000 *l.*) by 201,000 *l.* We know also that the actuals of 1882–83 will turn out somewhat better than the Revised Estimate. The estimated net charge for 1883–84 is 345,000 *l.*, but there can be little doubt that this is a very low estimate, and that the actuals will show a more satisfactory result. Even as it is, however, the result cannot be considered as unsatisfactory. The total capital outlay on the guaranteed lines up to the end of 1883–84 will be 69,000,000 *l.* Even, therefore, according to the Budget Estimate of 1883–84 the charge borne by the State will be only ·5 per cent. on the total capital outlay.

258. EAST INDIAN RAILWAY.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Net Traffic Receipts. 1.	Interest and Profits. 2.	Interest on Capital raised by the State. (*a*) 3.	Totals of Columns 2 and 3. 4.	Net revenue. (Difference of Columns 1 and 4.) 5.
	£.	£.	£.	£.	£.
1871–72	1,607	1,525	- -	1,525	82
1872–73	1,656	1,578	- -	1,578	78
1873–74	2,025	1,585	- -	1,585	440
1874–75	2,172	1,877	- -	1,877	295
1875–76	1,808	1,604	- -	1,604	204
1876–77	2,446	1,686	- -	1,686	760
1877–78	2,966	2,013	- -	2,013	953
1878–79	2,491	2,075	- -	2,075	416
1879–80	3,095	2,068	- -	2,068	1,027
1880–81	2,789	1,382	397	1,779	1,010
TOTAL £.	23,055	17,393	397	17,790	5,265
Average	2,305	1,739	40	1,779	526
1881–82	3,261	1,439	434	1,873	1,388
1882–83 (*b*)	2,845	1,465	489	1,954	891
1883–84 (*c*)	2,907	1,396	502	1,898	1,009

(*a*) There was, of course, no interest charge until the railway became the property of the State. *See* note (*b*) to table in paragraph 254. (*b*) Revised Estimate. (*c*) Budget Estimate.

259. Any comparison with the average of the 10 years ending with 1880-81 is in this case fallacious, because until the year 1879-80 the East Indian Railway was a guaranteed line. It then became the property of the State. It will be seen that the net revenue (column 5) in 1879-80 was 1,027,000 *l.*, being a very much higher figure than for any previous year except 1877-78, when the net revenue (953,000 *l.*) was exceptionally large by reason of the heavy traffic during the famine. In 1881-82 the net revenue amounted to no less than 1,388,000 *l.* These large receipts were due, in the first place, to heavy wheat traffic, and in the second place to the fair, called the *Kumbh Mela*, which takes place once every 10 years at Allahabad. The estimated net revenue in 1882-83 is 891,000 *l.* The estimated net revenue in 1883-84 is 1,009,000 *l.*, but I have very little doubt that this estimate will be exceeded. From 1st April to 30th June of the current year the receipts were about 250,000 *l.* in excess of those during the corresponding period of 1882.

260. IRRIGATION AND NAVIGATION.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Direct Receipts.	Madras Irrigation and Canal Company (Net Traffic Receipts).	Portion of Land Revenue due to Irrigation. (*a*)	Total Receipts. (Total of Columns 1, 2, and 3.)	Working and Maintenance.	Madras Irrigation and Canal Company (Interest, &c).	Interest on Capital Expenditure. (*b*)	Total Expenditure. (Total of Columns 5, 6, and 7.)	Net Revenue + or Expenditure— (Difference of Columns 4 and 8.)
	1.	2.	3.	4.	5.	6.	7.	8.	9.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
1871-72	380	— 8	-	372	235	51	156	442	— 70
1872-73	358	— 6	-	352	255	51	192	498	—146
1873-74	377	—11	-	366	266	50	231	547	—181
1874-75	390	— 7	-	383	290	51	279	620	—237
1875-76	430	—18	-	412	351	51	326	728	—316
1876-77	425	— 3	-	422	363	51	367	781	—359
1877-78	503	— 9	-	494	371	50	402	823	—329
1878-79	613	+ 9	127	749	382	50	488	920	—171
1879-80	708	+16	602	1,326	414	50	520	984	+342
1880-81	639	— 8	797	1,428	425	51	762	1,238	+190
TOTAL £.	4,823	—45	1,526	6,304	3,352	506	3,723	7,581	—1,277
Average	482	— 5	153	630	335	51	372	758	—128
1881-82	865	— 9	491	1,347	455	50	726	1,231	+116
1882-83 (*c*)	884	— 5	532	1,411	526	25	786	1,337	+ 74
1883-84 (*d*)	885	-	546	1,431	549	-	854	1,403	+ 28

(*a*) Not shown separately till 1878-79.
(*b*) *See* paragraph 3. This charge was not shown separately in the Accounts and Estimates till 1876-77, inclusive.
(*c*) Revised Estimate. (*d*) Budget Estimate.

261. Column 9 in this table shows the net result of irrigation works constructed as productive public works, but any conclusion based on the 10 years' average is obviously fallacious, because the *Portion of Land Revenue due to Irrigation* (column 3) was not credited to the works until 1878-79, and then only partially.

262. Turning to column 1 (direct receipts) it will be seen that in 1879-80 they amounted to 708,000 *l.* The receipts on account of water-rates in that year were exceptionally high. In 1880-81 the receipts were 639,000 *l.* The receipts of 1881-82 were 865,000 *l.*, being 226,000 *l.* in excess of those of the preceding year (1880-81). The estimated receipts in 1882-83 are 884,000 *l.*, and in 1883-84, 885,000 *l.* There has been a large and satisfactory increase in the direct receipts since 1880-81. But a portion of this increase is only nominal. In the first place, arrears to a considerable amount remained over from 1880-81, which have been collected since. In the second place, the Eastern Jumna Canal was transferred in 1880 81 from the ordinary to the productive account, increasing thus both the revenue and expenditure under the latter, and proportionately diminishing them under the former head.

263. In 1882-83 the Madras Irrigation and Canal Company's undertaking became the property of the Government. This accounts for the entries in columns 2 and 6 being blank in the year 1883-84.

264. I should explain that the exceptionally large receipts (797,000 *l.*) in 1880-81 under *Portion of Land Revenue due to Irrigation* were mainly on account of arrears on assigned lands omitted in the accounts of former years, and brought to account in 1880-81. The receipts under this head in Madras were also shown at too high a figure until the year 1881-82.

265. Turning

265. Turning to the expenditure, the cost of working and maintenance (columns 5 and 6) since 1879-80 has been as follows :—

	£.
1879-80	464,000
1880-81	476,000
1881-82	505,000
1882-83 (Revised Estimate)	551,000
1883-84 (Budget Estimate)	549,000

There is little to be said about these figures. As new canals are opened the working expenses must, of course, increase. For instance, provision is for the first time made in 1883-84 (6,000 *l.*) for the working expenses of the Sirhind Canal, which was recently opened. The transfer of the Eastern Jumna Canal to the productive head (*see* paragraph 262) involves, of course, a nominal increase of expenditure. I should also mention that in 1882-83 the Desert Canal and Eastern Nara Works (Bombay) were transferred from the ordinary to the productive head.

266. These transfers render any comparison between the figures of recent years given in columns 8 and 9 of little value, but it may be said that the net revenue from productive irrigation works shows a slow but steady tendency to increase. The capital invested up to the end of 1883-84 is estimated at 21,833,000 *l.* According to the Budget Estimate of that year the net receipts (28,000 *l.*), after paying interest on the money borrowed, will yield a return of ·13 per cent. on the capital outlay.

267. MISCELLANEOUS PUBLIC IMPROVEMENTS.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Expenditure.	——
No expenditure prior to 1878-79.		
	£.	
1878-79	6	
1879-80	13	
1880-81	17	
1881-82	18	
1882-83 (*a*)	20	(*a*) Revised Estimate.
1883-84 (*b*)	22	(*b*) Budget Estimate.

268. This expenditure is entirely on account of interest upon the capital sunk in making the Madras Harbour. The present Government is in no way responsible for this work, which was commenced in 1878-79. The Government is never likely to get any but a very slight direct pecuniary return on the capital which it has laid out in this undertaking.

II.—PUBLIC WORKS NOT CLASSED AS PRODUCTIVE.

269. STATE RAILWAYS, CAPITAL ACCOUNT.

000s *omitted.* £.1 = *Rs.* 10.

YEAR.	Expenditure.	REMARKS.
	£.	
1871-72	3	
1872-73	11	
1873-74	33	
1874-75	105	
1875-76	66	
1876-77	27	
1877-78	71	
1878-79	221	
1879-80	472	
1880-81	77	
TOTAL £.	1,086	
Average	109	
1881-82	248	
1882-83 (*a*)	439	(*a*) Revised Estimate.
1883-84 (*b*)	510	(*b*) Budget Estimate.

270. The figures for 1881-82, 1882-83 (Revised Estimate), and 1883-84 (Budget Estimate), are divided between imperial and provincial expenditure in the following manner:—

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Imperial. 1.	Provincial. 2.	TOTAL. 3.	REMARKS.
	£.	£.	£.	
1881-82 - - - -	122	126	248	
1882-83 (*a*) - - -	61	378	439	(*a*) Revised Estimate,
1883-84 (*b*) - - -	87	423	510	(*b*) Budget Estimate,

271. The Imperial expenditure in 1881-82 was 122,000 *l.*, as compared with 57,000 *l.* in 1880-81. Of this amount, 70,000 *l.* represented the Imperial contribution to the Bhopal Railway.

272. The estimated Imperial expenditure in 1882-83 is 61,000 *l.*, being 61,000 *l.* less than that of 1881-82 (122,000 *l.*). This diminution of expenditure is due (1) to the fact that the contribution on account of the Bhopal line will be only 55,000 *l.*, instead of 70,000 *l.*; (2) to the fact that 50,000 *l.* of money already spent by the Government will be refunded by the Southern Mahratta Railway Company. On the other hand, there is a slight increase due to several surveys having been undertaken. I consider this expenditure very necessary. One of the weak points of our Public Works administration up to the present time has certainly been that the Government has not accumulated sufficiently detailed information about the various railway projects which have from time to time been discussed. Until such information is obtained, the lines cannot be undertaken either by the Government or by private enterprise, even although the capital necessary to their construction may be forthcoming.

273. The estimated Imperial expenditure of 1883-84 is 87,000 *l.*, being 26,000 *l.* in excess of that of 1882-83 (61,000 *l.*). Of this amount, however, 30,000 *l.* represents a reserve set aside to meet any unforeseen emergency.

274. The main increase of expenditure is, however, not Imperial but Provincial. In 1881-82 Provincial expenditure under this head was 126,000 *l.*, as compared with 20,000 *l.* in 1880-81. Almost the whole of the increase occurs in Bengal, and is due to the expenditure of 92,000 *l.* on the Sonapore-Diamond-Harbour Railway, and of 20,000 *l.* on the Dinagepore extension of the Northern Bengal Railway. Bengal commenced the year 1881-82 with a balance of 499,000 *l.*, and closed with a balance of 754,000 *l.** The balance was, therefore, increased by 255,000 *l.* in the course of the year. It was in this year that the Imperial Government paid back to the Provincial Governments the 670,000 *l.* taken from them during the Afghan War. Of this 670,000 *l.*, 200,000 *l.* was repaid to Bengal. The amount repaid is, however, as will be seen, 55,000 *l.* less than the amount by which the Bengal balance was increased during the course of the year 1881-82.

275. The estimated Provincial expenditure in 1882-83 is 378,000 *l.* The high expenditure occurs almost entirely in Bengal and the North Western Provinces. Bengal is estimated to spend 109,000 *l.* on the Sonapore-Diamond-Harbour Railway, and 51,000 *l.* on the Dinagepore extension of the Northern Bengal Railway. The North Western Provinces Government is estimated to spend 114,000 *l.* on the Furruckabad-Hatras line, and 67,000 *l.* on the Jumna Bridge. These four items together make 341,000 *l.* The Bombay Government will also spend about 10,000 *l.* on the Western Deccan Survey.

276. In 1883-84 the estimated Provincial expenditure is 423,000 *l.* The increase occurs mainly in the North Western Provinces, where it is estimated that 288,000 *l.* will be spent on the Furruckabad-Hatras line, 11,000 *l.* on the Jumna Bridge, and 23,000 *l.* on the Kashgunge-Soron Railway. In Bengal 5,000 *l.* will be spent on the Sonapore-Diamond-Harbour Railway, 46,000 *l.* on the Parbatipore-Dinagepore Railway, 19,000 *l.* on the Sultanpore-Bogra line, and 8,000 *l.* on the Kaunia-Dhurla Railway. This accounts for 400,000 *l.* out of the expenditure of 423,000 *l.*

277. I ought to mention that the total sanctioned outlay on the Sonapore-Diamond-Harbour line is 236,000 *l.* The line has been opened to traffic, and may be said to be completed. The total sanctioned estimate of the Parbatipore-Dinagepore line is 119,000 *l.*; this line will also be completed during the year. The total estimated cost of the Kaunia-Dhurla line is 93,000 *l.* This line is nearly completed. The total sanctioned estimate of the Furruckabad-Hatras line is 450,000 *l.*, of which 406,000 *l.* will have been spent by the end of the year 1883-84. The total sanctioned estimate for the Jumna Bridge is 88,000 *l.*, of which 79,000 *l.* will have been spent by the end of 1883-84. The

* Throughout the figures in paragraphs 274-278 the Provincial balances only are given. The Local Fund balances are excluded.

The total sanctioned estimate of the Kashgunge-Soron line is 23,000 *l.*, the whole of which will be spent by the end of 1883-84. I make these remarks in order to show that, so far as these lines are concerned, the Provincial Governments have not taken any engagements which will be embarrassing when their balances run down.

278. The opening balance of the Bengal Government on 1st April 1882 was 754,000 *l.*; the closing balance on the 31st March 1883 is estimated at 248,000 *l.* It is estimated, therefore, that the balance will be reduced by 506,000 *l.* in the course of the year 1883-84. The opening balance of the North Western Provinces Government on 1st April 1882 was 1,334,000 *l.*; the estimated balance on 31st March 1883 is981,000 *l.* It is estimated, therefore, that the balance will be reduced by 353,000 *l.* in the course of the year 1883-84.

279. In 1883-84 the Bengal Government is estimated to spend 180,000 *l.*, and the North Western Provinces Government is estimated to spend 735,000 *l.*, out of their balances, leaving a closing balance with Bengal, on 31st March 1884, of 68,000 *l.*, and with the North Western Provinces of 246,000 *l.* This balance is too low for Bengal, but I have little doubt that in point of fact it will be a good deal higher. I may mention that, although, according to the Revised Estimate for 1882-83, the Bengal balance on 31st March 1883 will be 248,000 *l.*, according to the original Budget Estimate the closing balance was 85,000 *l.* I do not doubt that, at the end of 1883-84, Bengal will have a balance very considerably in excess of 68,000 *l.* Nevertheless, in 1884-85 I do not think the Bengal Government should be allowed to draw any more on its balance.

280. STATE RAILWAYS (WORKING AND MAINTENANCE).

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Expenditure.	Revenue.	Net Revenue + or Expenditure —	REMARKS.
	1.	2.	3.	
	£.	£.	£.	
No entries prior to 1882-83	—	—	—	
1882-83 (*a*) - - -	147	123	—24	(*a*) Revised Estimate.
1883-84 (*b*) - - -	185	192	+ 7	(*b*) Budget Estimate.

281. These figures are divided between Imperial and Provincial expenditure in the following manner:

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Expenditure.			Revenue.			Net Revenue + or Expenditure —.			REMARKS.
	Imperial.	Provincial.	TOTAL.	Imperial.	Provincial.	TOTAL.	Imperial. (Difference of Columns 1 and 4.)	Provincial. (Difference of Columns 2 and 5).	Total. (Difference of Columns 3 and 6).	
	1.	2.	3.	4.	5.	6.	7.	8.	9.	
	£.	£.	£.	£.	£.	£.	£.	£.	£.	
1882-83 (*a*) -	135	12	147	108	15	123	—27	+ 3	—24	(*a*) Revised Estimate.
1883-84 (*b*) -	158	27	185	157	35	192	— 1	+ 8	+ 7	(*b*) Budget Estimate.

282. There are four Imperial lines whose transactions are included under this head, viz.,—

(1.) The Bhopal line.

(2.) The Kandahar line.

(3.) The Northern Section of the Punjab Northern State Railway.

(4.) The Rewari-Ferozepore line.

283. As regards the Bhopal line, a short section, south of the Nerbudda, 12 miles in length, was opened in June 1882. The net expenditure during 1882-83 is estimated at 400 *l.*; and during 1883-84 at 200 *l.* Of course, these figures cannot be regarded as any true indication of what the line will yield when it is opened throughout its length.

284. The net expenditure on the Kandahar line is estimated at 6,000 *l.* in 1882-83. In 1883-84 the line is estimated to just pay its working expenses. This is a military line which was constructed during the Afghan War. It can never be expected to pay well.

285. The same remark applies to the Northern Section of the Punjab Northern State Railway. The receipts from this line, as well as those of the Kandahar Railway, were, prior to 1882-83, shown under *Revenue from Productive Public Works.* The estimated net expenditure in 1882-83 is 20,000 *l.* During 1883-84 it is expected* that the opening of the bridge over the Indus may slightly improve the receipts. The net expenditure is, therefore, taken at 10,000 *l.*

286. The Rewari-Ferozepore line is being constructed as a famine line out of the Protective grant. A portion of the line was opened in April 1883. It is estimated to yield during 1883-84 a sum of 10,000 *l.* in excess of its working expenses. We now know that the results since the line was opened have proved very satisfactory. The gross receipts on the 71 miles open are now about 71 rupees per mile per week. It is not at all improbable that when the whole line is opened it may, although not technically a Productive Work, pay 4 per cent. on its capital outlay.

287. The Provincial lines included under this head are (1) the Sonapore-Diamond-Harbour line; (2) the Kaunia-Dhurla line; (3) the Furruckabad-Hatras line.

288. The net receipts on the Sonapore-Diamond-Harbour line for 1882-83 are estimated at only 1,500 *l.* But the line was only fully opened towards the close of the year. In 1883-84 the net receipts are estimated at 3,300 *l.* From the most recent returns it appears that the traffic is doing fairly well, and there is a probability of this estimate being exceeded.

289. The transactions of the small Kaunia-Dhurla line, of which 34½ miles are now open, were formerly shown under *Other Public Works.* The net receipts in 1882-83 are estimated at 1,000 *l.*; in 1883-84 they have been estimated at 2,000 *l.*

290. It is expected that about 85 miles of the Furruckabad-Hatras line will be open for traffic by the 1st November 1883. The net receipts in 1883-84 have been estimated at 2,000 *l.*, but this is necessarily a very rough estimate.

291. On the whole, it may be said that the figures under this head would show much more satisfactorily, were it not for the Kandahar and Punjab Northern (Northern Section) lines, which were made for war purposes, and for the construction of which the present Government is in no way responsible. Further, some of the lines are not as yet fully open for traffic. In spite of this disadvantage, however, the net receipts, Imperial and Provincial, are estimated at 7,000 *l.* this year, and I think there can be little doubt that the results in future years will be better.

292. SUBSIDISED RAILWAYS †

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Expenditure. 1.	Receipts. 2.	Net Expenditure. 3.	REMARKS.
No entries prior to 1881-82.	£.	£.	£.	
1881-82 - - - - -	17	2	15	
1882-83 (*a*) - - -	104	4	100	(*a*) Revised Estimate.
1883-84 (*b*) - - -	186	11	175	(*b*) Budget Estimate.

293. The whole of the expenditure in 1881-82 is on Imperial account. It represents a payment of 13,000 *l.* on account of land, and 2,000 *l.* (net) on account of guaranteed interest to the Bengal Central Railway Company.

294. The expenditure on account of land is, of course, only temporary, that is to say, it will last for two or three years whilst the line is under construction. The amount paid on account of guaranteed interest is really only an advance. It will be repaid to the Government out of the half profits over 5 per cent.

295. In 1882-83 the whole of the transactions, with the exception of 500 *l.* on the expenditure side of the account, are Imperial. There is a receipt of 4,000 *l.* in England, which represents interest realised from the investment of sums deposited by the Bengal Central Company. The main items on the expenditure side of the account are—(1) 50,000 *l.* on account of land for the Bengal Central Railway Company; (2) 13,000 *l.* on account of guaranteed interest to the same Company; this, as I have already mentioned,

(para.

* The Bridge has been opened.

† The transactions connected with the Southern Mahratta Railway are included under this head

(para. 294), is really only an advance; (3) 6,500 *l.* on account of land for the Bengal and North Western Railway Company; the Government does not guarantee any rate of interest to this Company, but gives it the land free of cost, and, on the other hand, receives the half profits over 6 per cent.; (4) 33,000 *l.* for guaranteed interest on the Southern Mahratta Railway capital; this money will probably also come back to Government in time.

296. The estimated receipts in 1883-84, amounting to 11,000 *l.*, are on Imperial account. Nearly the whole of the Bengal Central Railway is expected to be opened during the year. The net receipts are estimated at 10,000 *l.* The balance (1,000 *l.*) is for money deposited by the Company, which will be invested in England.

297. Of the total estimated expenditure in 1883-84 (186,000 *l.*), 170,000 *l.* is Imperial and 16,000 *l.* is Provincial.

298. The items of Imperial expenditure are—(1) 25,000 *l.* on account of land for the Bengal Central Railway; (2) 25,000 *l.* on account of guaranteed interest for the same line; (3) 30,000 *l.* on account of land for the Bengal and North-Western Railway; (4) 85,000 *l.* on account of guaranteed interest to the Southern Mahratta Railway Company; (5) 4,000 *l.* paid in England on account of interest to the Rohilkhand and Kumaon Railway; the sum will be finally adjusted in India as a Provincial charge of the North-Western Provinces.

299. The 16,000 on Provincial account is for the purchase of land and for guararanteed interest in connection with the Rohilkhand-Kumaon (North-Western Provinces), the Nilgiri (Madras), and the Takessar (Bengal) lines.

300. FRONTIER RAILWAYS.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Expenditure.	REMARKS.
No expenditure prior to 1879-80.	£.	
1879-80	1,834	
1880-81	2,294	
1881-82	225	
1882-83 (*a*)	282	(*a*) Revised Estimate.
1883-84 (*b*)	67	(*b*) Budget Estimate.

301. The expenditure on *Frontier Railways* was deducted by Mr. Stanhope in making his comparison as being part of the Afghan War expenditure. I need not, therefore, make any remarks on the subject. But I may mention that after the current year (1883-84) the expenditure under this head will either cease altogether or will be reduced to a very small amount.

302. IRRIGATION AND NAVIGATION.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Expenditure.	Receipts.	Net Expenditure.	REMARKS.
	£.	£.	£.	
1871-72	448	99	349	
1872-73	651	124	527	
1873-74	595	166	429	
1874-75	664	146	518	
1875-76	776	163	613	
1876-77	615	177	438	
1877-78	758	166	592	
1878-79	631	169	462	
1879-80	669	193	476	
1880-81	709	198	511	
TOTAL £.	6,516	1,601	4,915	
Average	652	160	492	
1881-82	790	131	659	
1882-83 (*a*)	920	132	788	(*a*) Revised Estimate.
1883-84 (*b*)	804	141	663	(*b*) Budget Estimate.

303. The only feature calling for notice regarding the receipts is the apparent falling off in 1881-82 of 67,000 *l.* This is caused by the transfer of the Eastern Jumna Canal from Ordinary to Productive. The decrease due to the transfer of the two canals in Bombay referred to under "expenditure," has been met by increased receipts from other canals.

304. Turning to expenditure, it will be seen that the marked increase commences in 1881-82; that there is again a large increase in 1882-83 over 1881-82; and that in the Budget Estimate for the current year it drops again almost to the figures of 1881-82.

305. There were large decreases in—

The North-Western Provinces (23,000 *l.*), principally due to the transfer of the Eastern Jumna Canal from Ordinary to Productive Public Works.

The Punjab (24,000 *l.*), principally due to a transfer of the Swat River Canal (still under construction) from Ordinary to Protective.

Bombay (35,000 *l.*), principally due to the transfer of Eastern Nara and Sind Desert Canal to Productive.

But the total decrease in these provinces (82,000 *l.*) was more than counterbalanced by the large increase of 155,000 *l.* in Bengal, and thus, in fact, the total net increase is explained.

306. The principal works on which this excess expenditure in Bengal was incurred are—

	£.
Government Embankments (Imperial) - - -	37,000
Orissa Coast Canal, a work which, though sanctioned by the Secretary of State as a Productive Public Work, is by special arrangement being carried out from Provincial Funds, and is treated as an ordinary Provincial work.	75,000
Minor works for which Capital and Revenue Accounts are not kept (Provincial).	43,000
TOTAL - - - £	155,000

307. The expenditure of 1882-83 shows an increase of 130,000 *l.* over 1881-82. More than half this is due to an increased grant (Imperial) having been given to Madras for the up-keep and repair of minor irrigation works, resulting in a net increased expenditure of 70,000 *l.*

	£.
Burma showed an increased expenditure on works for which neither Capital nor Revenue Accounts are kept (Provincial)	36,000
Bombay for silt clearances and repair of flood damages (Imperial) - - - - - - - - - - - -	15,000
Punjab for increased working expenses of inundation canals (Imperial) - - - - - - - - - -	13,000

308. There were small increases in other provinces, counterbalanced by a reduction in Bengal (Provincial) of 15,000 *l.* under minor works. The expenditure on the Orissa Coast Canal was a little above that of the preceding year.

309. The estimated expenditure of 1883-84 is 116,000 *l.* less than that of 1882-83. There is a decrease in Bengal amounting to 87,000 *l.*, of which about two-thirds is due to a reduction in outlay on works connected with the Circular and Eastern Canal, and the balance to a reduced allotment to the Orissa Coast Canal (Provincial), for which a grant-in-aid has been given during the current year from the Famine Protective grant.

310. The Imperial grant for embankments is less in 1883-84 by 7,000 *l.*

311. The Imperial grant for minor Irrigation works in Madras is reduced by 18,000 *l.*, and in Bombay the special grant given in the previous year of 15,000 *l.* to repair flood damages has not been repeated.

312. MILITARY WORKS.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Gross Expenditure. 1.	Receipts.* 2.	Expenditure. 3.
	£.	£.	£.
1871–72	978	-	978
1872–73	1,167	17	1,150
1873–74	1,123	17	1,106
1874–75	1,186	17	1,169
1875–76	1,338	17	1,321
1876–77	1,202	39	1,163
1877–78	1,154	39	1,115
1878–79	1,191	40	1,151
1879–80	966	38	928
1880–81	969	37	932
TOTAL £.	11,274	261	11,013
Average	1,127	26	1,101
1881–82	1,070	51	1,019
1882–83 (Revised Estimate)	1,000	42	958
1883–84 (Budget Estimate)	1,000	39	961

* The figure for 1871–72 cannot be stated separately from *Civil Buildings and Services.* In the next four years the figures for "India General" alone can be thus separately stated.

313. Since the year 1880–81, inclusive, an annual grant of 1,000,000 *l.* has been given to the Military Department for expenditure on *Military Works*, the unexpended portion of the grant in any one year being generally carried over for expenditure in the next year. The expenditure of 1881–82 (1,019,000 *l.*) was in excess of that of 1880-81 and of 1879–80, because in those two years the full amount of the grant was not spent, and, therefore, a considerable balance was carried over for expenditure in 1881–82. In 1882–83 the estimated expenditure (958,000 *l.*) is low, because, owing to the Egyptian War, the unexpended balance of 1881–82 (about 60,000 *l.*) was not re-granted in 1882–83. In all the three years, 1881–82, 1882–83 (Revised Estimate), and 1883–84 (Budget Estimate), the expenditure is below the average of the 10 years ending with 1880–81 (1,101,000 *l.*).

314. CIVIL BUILDINGS, ROADS AND SERVICES.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Gross Expenditure. 1.	Receipts. 2.	Net Expenditure. 3.	REMARKS.
	£.	£.	£.	
1871–72	3,403	537	2,866	
1872–73	3,342	524	2,818	
1873–74	(*a*)3,851	587	3,264	(*a*) See remarks in para. 1.
1874–75	(*a*)3,491	510	2,981	
1875–76	(*a*)3,340	505	2,835	
1876–77	3,361	531	2,830	
1877–78	3,080	715	2,365	
1878–79	3,128	532	2,596	
1879–80	2,926	465	2,461	
1880–81	3,344	510	2,834	
TOTAL £.	33,266	5,416	27,850	
Average	3,327	542	2,785	
1881–82	4,043	544	3,499	
1882–83 (*b*)	4,422	471	3,951	(*b*) Revised Estimate.
1883–84 (*c*)	4,303	481	3,822	(*c*) Budget Estimate.

315. It will be seen that the gross expenditure under this head (column 1) varied considerably during the decade ending with 1880-81. In 1875-76 it was 3,340,000 *l.* During the three years, 1877-78, 1878-79, and 1879-80, the expenditure was abnormally low, all expenditure having been reduced by reason of the war. The expenditure of 1880-81 was 3,344,000 *l.*, being 17,000 *l.* above the average of the 10 years ending with 1880-81 (3,327,000 *l.*). The pressure of the war was still to a certain extent felt in 1880-81.

	£.
1877-78 - - -	3,080,000
1878-79 - - -	3,128,000
1879-80 - - -	2,926,000

316. I will, however, take the expenditure of 1880-81 for purposes of comparison with that of subsequent years. The following table shows the expenditure in India* from 1880-81 onwards, divided under the heads of Imperial, Provincial, or Local:—

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Imperial.	Provincial.	Local.	TOTAL.
	£.	£.	£.	£.
1880-81 - - - - - - -	350	1,695	1,211	3,256
1881-82 - - - - - - -	468	2,089	1,391	3,948
1882-83 (Revised Estimate) - -	517	2,258	1,560	4,335
1883-84 (Budget Estimate) - -	414	2,058	1,730	4,202

317. Turning first to the Imperial expenditure, it will be seen that in 1880-81 it amounted to 350,000 *l.*, in 1881-82 it rose to 468,000 *l.*, and in 1882-83 (Revised Estimate) to 517,000 *l.* The Budget Estimate of 1883-84 is, however, only 414,000 *l.*, being 103,000 *l.* below the Revised Estimate for 1882-83, and 54,000 *l.* below the expenditure of 1881-82, but 64,000 *l.* above the expenditure of 1880-81. Almost the whole of this increase is due to the construction of Government offices at Calcutta and Simla, and to the construction of quarters for clerks at Simla.

318. One of the main buildings constructed at Calcutta was for the Financial Department. I should like to make one or two observations about this building. Before sanction was given to the construction of a new building, I went thoroughly over the old one myself. The house had never been intended for a Government office, and indeed possessed every defect for such an office which can well be conceived. The clerks were crowded together, and the archives were put away in odd holes and corners in the most inconvenient way possible. To any one who went over the building it was a matter for surprise that the work of so large a Department could ever have been carried on properly for so many years, especially in a climate like Calcutta, where good ventilation and airy rooms are almost a necessity. Moreover, it did not require the eye of an engineer to see that the building was absolutely dangerous. The construction of a new building was, in fact, quite unavoidable.

319. As to the offices at Simla, the necessity for their construction has been long recognised, and, when they have once been constructed, a considerable sum of money will be saved in the rents heretofore paid for hired houses.

320. The construction of clerks' quarters is really only an investment of capital, as rent will be paid by the clerks who occupy them.

321. It is a very good thing that the offices, both at Calcutta and Simla, should be put on a better footing than heretofore. When the buildings have once been constructed, the expenditure, of course, will not recur. This accounts for the estimated falling-off in 1883-84 as compared with 1882-83. I have little doubt that the Imperial expenditure in 1884-85 will be considerably less than that of 1883-84. Indeed, I see no reason why it should be in excess of that of 1880-81.

322. Turning to Provincial and Local expenditure, it is to be observed that the increase in 1881-82 and onwards is entirely due to the fact that the Provincial Governments and the Local Funds have been spending their balances which accumulated during the Afghan War. I will only dwell very briefly upon the principal details of 1881-82, for which year the accounts are closed. In 1880-81 the expenditure on new works, such as Civil Buildings, Communications, and Miscellaneous public improvements, and repairs to these works, was 1,275,664 *l.*; in 1881-82 it was 1,610,855 *l.* This increased expenditure, of course, involved a temporary increase of establishments. In 1880-81 the expenditure on establishments was 373,483 *l.* In 1881-82 it was 436,872 *l.* Turning to Incorporated Local Funds, the expenditure in 1880-81 on works and repairs was 372,763 *l.*; in 1881-82 it was 449,641 *l.* The expenditure on establishments was 62,636 *l.* in 1880-81, and 72,207 *l.* in 1881-82. The expenditure on Local works incurred by the Civil Department was 772,542 *l.* in 1880-81, and 866,039 *l.* in 1881-82.

323. I need not go into the detail of the years 1882-83 and 1883-84. I will only say that the expenditure under this head will certainly be largely reduced in 1884-85.

* The expenditure in England is excluded.

000s *omitted.* 324. K.—ARMY. £. 1 = *Rs.* 10.

YEAR.	Expenditure (Ordinary). 1.	Receipts (Ordinary). 2.	Net Expenditure (Ordinary). 3.	War Expenditure (Net). 4.
	£.	£.	£.	£.
1871–72	15,678	944	14,734	—
1872–73	15,504	907	14,597	—
1873–74	15,228	1,011	14,217	—
1874–75	15,375	989	14,386	—
1875–76	15,308	1,046	14,262	—
1876–77	15,792	925	14,867	—
1877–78	16,640	870	15,770	—
1878–79	17,093	975	16,118	—
1879–80	16,896	1,029	15,867	4,762 (*a*)
1880–81	16,718	924	15,794	8,074 (*a*)
TOTAL £.	160,232	9,620	150,612	12,836
Average	16,023	962	15,061	—
1881–82	17,216	1,162	16,054	—1,015 (*a*)
1882–83 (Revised Estimate)	16,172	986	15,186	797 (*b*)
1883–84 (Budget Estimate)	16,064	866	15,198	—

(*a*) Afghan War. The net receipts in 1881–82, amounting to about 1,015 *l.*, are due to the fact that the war expenditure in 1881–82 (1,644,927 *l.*) was less than the amount of the English contribution credited in the accounts of the year (2,659,768 *l.*) by 1,014,841 *l.*—(*b*) Egyptian War.

325. Any comparison of the ordinary *Army* expenditure of 1881–82, 1882–83, and 1883–84, with the average of the preceding 10 years is fallacious, because a large amount (660,000 *l.**) of war expenditure is included in the ordinary military expenditure of 1881–82, and it is probable that in the final years of the decade ending with 1880–81 a certain amount of war expenditure was also included. Mr. Stanhope admitted that there had been no increase of military expenditure. I need not, therefore, dwell on this subject any further.

000s *omitted.* 326. L.—EXCHANGE. £. 1 = *Rs.* 10.

YEAR.	Expenditure.	REMARKS.
	£.	
1871–72	433	
1872–73	695	
1873–74	883	
1874–75	786	
1875–76	1,356	
1876–77	2,059	
1877–78	1,555	
1878–79	3,226	
1879–80	2,927	
1880–81	2,717	
TOTAL £.	16,637	
Average	1,664	
1881–82	3,557	
1882–83 (*a*)	3,116	(*a*) Revised Estimate.
1883–84 (*b*)	3,548	(*b*) Budget Estimate.

327. The actual and estimated expenditure during the years 1881–82 (3,557,000 *l.*), 1882–83 (3,116,000 *l.*), and 1883–84 (3,548,000 *l.*), under this head is largely in excess of the average of the 10 years ending 1880–81 (1,664,000 *l.*). This, of course, is due to the heavy fall in the value of silver, which took place first in 1874–75, and again in 1877–78. The expenditure under *Exchange* is governed by causes which are wholly beyond the control of the Government of India. Mr. Stanhope deducted this item in making his comparison. I need not, therefore, dwell on the subject at any length, but the following figures may prove of interest:—

* This is the gross figure.

000s *omitted.* £. 1 = *Rs.* 10.

YEAR.	Drawings (True Sterling).	Exchange.	Average Price of Bar Silver in London during the Calendar Year.	Hong Kong Bills (True Sterling).	REMARKS.
	£.	*d.*	*d.*		
1871-72 - -	10,310	23·12	1871 - 60·5		
1872-73 - -	13,939	22·81	1872 - 60·31		
1873-74 - -	13,286	22·35	1873 - 59·25		
1874-75 - -	10,842	22·22	1874 - 58·31		
1875-76 - -	12,390	21·64	1875 - 56·87		
1876-77 - -	12,696	20·49	1876 - 52·75		
1877-78 - -	10,134	20·79	1877 - 54·81		
1878-79 - -	13,949	19·76	1878 - 52·56		
1879-80 - -	15,262	20·00	1879 - 51·25		
1880-81 - -	15,240	19·95			
TOTAL - -	128,048	213·13	Drawings compared with average.		Drawings, *including* Hong Kong bills, compared with average.
Average -	12,805	21·31			
				£.	£.
1881-82 - -	18,412	19·89	+5,607	77	+5,684
1882-83* - -	14,042	19·50	+1,237	210	+1,447
1882-83 † - -	16,300	19·50	+3,495	200	+3,695

* Revised Estimate. † Budget Estimate.

Simla, 11th August 1883. *Evelyn Baring.*

APPENDIX III.

NET ACCOUNTS, 1871-72 to 1883-84.

THERE are three cases in which we have to modify the figures of the 13-year Statement attached to the last Financial Statement, in order to produce an account of Net Revenue and Expenditure.

The first two are those of the charges for Refunds, and for Assignments and Compensations; these are shown in gross in the 13-year Statement, but in a Net Statement they have to be split up so as to be taken by charge against, or deduction from, the revenues to which they appertain. The amounts shown against "Transit Duties" and "Goa Convention" do not appertain to any particular head of Revenue, and we may therefore, for present purposes, take them by deduction from "Tributes."

The third is the case of "Court Fees," which are, properly speaking, receipts on account of Law and Justice, but which, being collected in Stamps, are classed as "Stamps" Revenue, being, in fact, about two-thirds of the whole amount. I therefore separate the "Court Fees" from the "General Stamp Duties" (a distinction always maintained in our detailed accounts), and class the former as Receipts of "Law and Justice," the latter as "Stamps" Revenue proper. The charges have to be similarly divided, but the detailed accounts do not give very accurate means of dividing the common part of the charges. A reasonably accurate division is as follows:—

	Court Fees Charges.	General Stamp Charges.
Refunds of Stamps - - - -	The whole -	None.
Discount on Court Fees - - -	The whole -	None.
Remainder of Charges under "Stamps"	Half - -	Half.

The details of the division of charges under "Refunds" and under "Assignments," and of the revenue and expenditure under "Stamps," are shown in the following statement. With these figures, and those of the 13-year Statement, I produce, as per details set out in separate sheets, a statement of the net revenue and expenditure of the 13 years.

Calcutta, 20th June 1883. *J. Westland,* Comptroller General.

In Thousands of £.

SUBSIDIARY STATEMENT.

	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	Revised Estimate, 1882-83.	Budget Estimate, 1883-84.
REFUNDS:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Land Revenue	42	79	55	56	98	58	46	52	54	47	48	169	48
Opium	-	-	-	-	1	-	-	2	2	-	2	—	—
Salt	34	46	26	30	38	31	42	34	30	141	45	50	25
Excise	1	2	2	4	3	6	2	6	13	15	19	40	20
Provincial Rates	-	6	32	22	56	56	33	30	8	9	14	7	6
Customs	51	72	71	73	66	62	67	65	53	62	73	55	37
Assessed Taxes	25	6	3	2	-	-	4	26	59	31	29	22	19
Forest	7	12	5	2	3	2	3	1	2	5	2	2	3
Registration	-	-	-	1	1	-	-	-	1	2	2	2	2
Stamps	31	35	36	36	37	36	34	35	33	34	38	37	36
Law and Justice	31	32	40	35	38	43	40	39	40	46	(a)	(a)	(a)
Miscellaneous	66	55	79	108	74	63	78	117	74	77	(a)	(a)	(a)
TOTAL £.	288	345	349	369	415	357	349	407	369	469	272	384	196
ASSIGNMENTS AND COMPENSATIONS:													
Land Revenue	769	813	782	809	801	797	767	782	753	741	764	759	752
Salt	44	45	45	45	45	45	34	204	324	345	311	353	350
Excise (Bombay) (b)	-	-	-	-	-	-	-	-	-	30	30	30	30
Transit Duties, &c.	30	28	41	35	49	28	25	37	39	50	44	41	49
Goa Convention	-	-	-	-	-	-	-	-	-	49	46	59	65
TOTAL £.	843	886	868	889	895	870	826	1,023	1,116	1,215	*1,195	1,242	1,246
STAMP REVENUE:													
Court Fees	1,640	1,729	1,831	1,898	1,975	1,985	2,064	2,151	2,145	2,186	2,301	2,332	2,342
Other Duties	836	881	869	860	860	854	929	960	1,049	1,065	1,080	1,080	1,085
TOTAL £.	2,476	2,610	2,700	2,758	2,835	2,839	2,993	3,111	3,194	3,251	3,381	3,412	3,427
STAMPS.													
EXPENDITURE:													
Court Fees Discount	40	31	15	16	20	20	21	17	18	19	23	23	23
Other Charges	64	61	74	109	86	76	82	98	96	89	88	98	80
TOTAL £.	104	92	89	125	106	96	103	115	114	108	111	121	103

(a) Included, in 1881-82, 1882-83, and 1883-84, in the charges under Law and Justice, and Miscellaneous.

(b) Precise amount not immediately ascertainable.

In Thousands of £.

NET ACCOUNTS, 1871-72 to 1883-84.

	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	Revised Estimate, 1882-83.	Budget Estimate, 1883-84.
A.—Interest:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
On Ordinary Debt - -	—5,266	—5,008	—4,841	—4,468	—4,444	—4,513	—4,672	—4,575	—4,591	—3,669	—4,024	—3,988	—3,824
On Deposits - - - -	—483	—556	—541	—380	—387	—395	—359	—379	—382	—414	—534	—462	—440
Total - - - £.	—5,749	—5,564	—5,382	—4,848	—4,831	—4,908	—5,031	—4,954	—4,973	—4,083	—4,558	—4,450	—4,264
B *a*.—Revenue and Expenditure connected with District Administration:													
Land Revenue - - -	+19,721	+20,483	+20,223	+20,467	+20,642	+19,036	+19,235	+21,490	+21,054	+20,325	+21,136	+20,772	+20,993
Stamps, excluding Court Fees	+804	+850	+832	+805	+817	+816	+888	+911	+1,001	+1,021	+1,036	+1,031	+1,045
Excise - - - - -	+2,229	+2,189	+2,188	+2,251	+2,404	+2,427	+2,357	+2,525	+2,714	+2,995	+3,281	+3,450	+3,479
Provincial Rates - - -	+1,625	+1,839	+1,766	+1,810	+1,838	+1,822	+2,157	+2,545	+2,826	+2,721	+2,829	+2,610	+2,631
Assessed Taxes - - -	+797	+583	+29	+18	+15	+14	+97	+837	+696	+507	+495	+490	+490
General charges of District Administration - - -	—2,808	—2,825	—2,867	—2,865	—2,951	—2,899	—2,943	—2,960	—2,937	—2,984	—3,004	—3,056	—3,212
Total - - - £.	+22,368	+23,119	+22,171	+22,486	+22,765	+21,216	+21,791	+25,348	+25,354	+24,585	+25,773	+25,297	+25,426
B *b*.—Revenue and Expenditure administered by separate Departments:													
Opium - - - - -	+7,657	+6,871	+6,324	+6,215	+6,252	+6,280	+6,522	+7,698	+8,249	+8,451	+7,803	+7,217	+7,035
Salt - - - - -	+5,412	+5,598	+5,602	+5,690	+5,654	+5,741	+5,889	+6,298	+6,572	+6,266	+6,534	+5,227	+5,246
Customs - - - -	+2,341	+2,403	+2,378	+2,422	+2,470	+2,220	+2,350	+2,062	+2,027	+2,279	+2,093	+1,054	+1,074
Forest - - - - -	+151	+176	+231	+163	+275	+157	+236	+149	+209	+238	+314	+333	+256
Registration - - - -	+47	+60	+60	+54	+51	+57	+84	+105	+103	+106	+104	+98	+93
Tributes - - - -	+714	+713	+728	+690	+677	+667	+650	+667	+664	+643	+617	+610	+587
Total - - - £.	+16,322	+15,821	+15,323	+15,224	+15,379	+15,122	+15,681	+16,979	+17,824	+17,983	+17,465	+14,539	+14,291
C.—Post Office, Telegraph and Mint:													
Post Office - - - -	+84	—186	—195	—144	—137	—122	—113	—121	—141	—156	—198	—207	—212
Telegraph - - - -	—222	—233	—161	—146	—182	—132	—103	—44	+54	+41	—67	—136	—185
Mint - - - - -	+12	—32	—11	+26	+2	+128	+312	+68	+136	—4	—17	+64	+27
Total - - - £.	—126	—451	—367	—264	—317	—126	+96	—97	+49	—119	—282	—279	—370
D.—Civil Departments:													
General Administration - -	—1,471	—1,474	—1,518	—1,551	—1,639	—1,493	—1,493	—1,488	—1,492	—1,532	—1,494	—1,578	—1,555
Law and Justice, including Court Fees - - -	—755	—622	—631	—675	—633	—674	—622	—639	—616	—474	—360	—388	—459
Police - - - - -	—2,188	—2,185	—2,198	—2,235	—2,234	—2,296	—2,228	—2,208	—2,267	—2,282	—2,306	—2,404	—2,482
Marine - - - - -	—378	—353	—299	—298	—400	—466	—310	—298	—272	—305	—385	—334	—308
Education - - - -	—693	—733	—761	—844	—873	—854	—850	—831	—827	—828	—890	—934	—995
Ecclesiastical - - -	—158	—157	—164	—166	—162	—164	—158	—155	—156	—159	—162	—163	—168
Medical - - - - -	—509	—562	—582	—611	—635	—632	—652	—625	—613	—624	—643	—650	—674
Political - - - - -	—316	—392	—367	—405	—430	—505	—469	—449	—431	—531	—649	—511	—442
Scientific and other Minor Departments - - -	—296	—375	—342	—344	—349	—299	—265	—270	—259	—323	—440	—382	—426
Total - - - £.	—6,764	—6,853	—6,862	—7,129	—7,355	—7,383	—7,047	—6,963	—6,933	—7,058	—7,329	—7,344	—7,509

E.—Miscellaneous:												
Interest	+371	+519	+467	+559	+578	+543	+534	+628	+748	+876	+897	+688	+651
Territorial, &c., Pensions	—881	—863	—989	—850	—819	—802	—821	—803	—699	—684	—682	—688	—743
Furlough Allowances	—173	—156	—258	—217	—229	—236	—237	—232	—215	—224	—223	—217	—227
Superannuation	—768	—987	—821	—1,077	—1,188	—1,189	—1,283	—1,329	—1,672	—1,834	—1,826	—1,874	—1,878
Stationery and Printing	—196	—210	—203	—211	—203	—404	—407	—425	—362	—423	—508	—436	—405
Miscellaneous	+180	—97	+47	+108	—195	+77	+62	—62	—79	+375	+4	—13	—97
Total £.	—1,467	—1,794	—1,757	—1,688	—2,056	—2,011	—2,152	—2,223	—2,279	—1,914	—2,338	—2,540	—2,699
F.—Famine Relief	- -	- -	—3,865	—2,243	—602	—2,145	—5,346	—313	—104	—34	—1,500	—1,540	—1,500
G.—Productive Public Works Revenue Account:													
State Railways	—65	—96	—184	—240	—311	—436	—510	—677	—715	—543	—289	—177	—150
Guaranteed Railways	—1,553	—2,062	—1,677	—1,254	—872	—654	+186	—816	—918	—517	—64	—316	—345
East Indian Railway	+82	+78	+440	+295	+204	+760	+953	+416	+1,027	+1,010	+1,388	+891	+1,009
Irrigation and Navigation	—70	—146	—181	—237	—316	—359	—329	—171	+342	+190	+116	+74	+28
Miscellaneous Public Improvements	- -	- -	- -	- -	- -	- -	- -	—6	—13	—17	—18	—20	—22
Total £.	—1,606	—2,226	—1,602	—1,436	—1,295	—689	+300	—1,254	—277	+123	+1,133	+452	+520
H.—Public Works not classed as Productive:													
State Railway Capital	—3	—11	—33	—105	—66	—27	—71	—221	—472	—77	—248	—439	—510
State Railway, Working and Maintenance	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	—24	+7
Subsidized Railways	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	—15	—100	—175
Frontier Railways	- -	- -	- -	- -	- -	- -	- -	- -	—1,334	—2,294	—225	—282	—67
Irrigation and Navigation	—349	—527	—429	—518	—613	—438	—592	—462	—476	—511	—659	—788	—663
Military Works	—978	—1,150	—1,106	—1,169	—1,321	—1,163	—1,115	—1,151	—928	—932	—1,019	—958	—961
Civil Buildings, Roads, and Services	—2,866	—2,818	—3,264	—2,981	—2,835	—2,830	—2,365	—2,596	—2,401	—2,834	—3,499	—3,951	—3,822
Total £.	—4,196	—4,506	—4,832	—4,773	—4,835	—4,458	—4,143	—4,430	—5,671	—6,648	—5,665	—6,542	—6,191
K.—Army:													
Ordinary	—14,734	—14,597	—14,217	—14,386	—14,262	—14,867	—15,770	—16,118	—15,867	—15,794	—16,054	—15,186	—15,198
Military Operations	- -	- -	- -	- -	- -	- -	- -	- -	—(a) 4,766	—(a) 8,070	+(a) 1,015	—(b) 797	—
Total £.	—14,734	—14,597	—14,217	—14,386	—14,262	—14,867	—15,770	—16,118	—20,633	—23,864	—15,039	—15,983	—15,198
L.—Exchange on Transactions with London	—433	—695	—883	—786	—1,356	—2,059	—1,555	—3,226	—2,927	—2,717	—3,557	—3,116	—3,548
Total+ £.	+38,690	+38,940	+37,494	+37,710	+38,144	+36,338	+37,868	+42,327	+43,227	+42,691	+44,371	+40,288	+40,237
Total— £.	—35,075	—36,686	—39,767	—37,553	—36,909	—38,646	—41,044	—39,578	—43,797	—46,437	—40,268	—41,754	—41,279
Net	+3,615	+2,254	—2,273	+157	+1,235	—2,308	—3,176	+2,749	—570	—3,746	+4,103	—1,466	—1,042

(a) Afghan War. (b) Egyptian War.

— No. 7. —

The Secretary of State for India to the Governor General in Council, 4th October 1883, No. 290 (Financial).

My Lord Marquis,

Para. 1. I HAVE considered in Council your Excellency's letter, dated the 3rd August, No. 214, forwarding a copy of a Resolution passed on the results of the record kept by you during the year 1882-83 of all sanction given to fresh expenditure.

2. The statement is very interesting, and it would, in my opinion, be desirable to continue the practice of so recording the increase of charge beyond that provided for in the Budget, in order that your Government may, in the Financial Department, be kept accurately informed of the amount of money for the provision of which it has become responsible during the year, beyond that foreseen at its commencement.

3. Excluding such expenditure as the Provincial Governments are empowered to sanction without reference to your Government, which must in all cases be met by savings in other quarters, unless they are pensions or other charges granted under fixed rules, and at the same time omitting to take account of lapses of expenditure during the year, I find the result to be as follows :—

Estimates were accepted for an expenditure of 1,80,00,000 rupees on account of the Expedition to Egypt, but the net charge was afterwards reduced to 1,17,92,000 rupees.

Besides this, the following amounts were sanctioned, in addition to the outlay authorised in the Budget:—

	Rs.	*Rs.*
Permanent:		
Imperial - - - - -	2,48,550	
Provincial - - - - -	2,28,983	
		4,77,533
Temporary :		
Imperial - - - - -	56,01,439	
Provincial - - - - -	29,09,514	
		85,10,953
TOTAL - - - *Rs.*		89,88,486

4. The great bulk of this expenditure was met as a charge of the year 1882-83, and did not involve any burden in future years; but your Excellency rightly points out that the total permanent charge is not fully represented by the statement of the cost borne, in many cases for only a part of the year, during 1882-83; and in some instances the sanction, though treated as one for temporary expenditure, conveys authority for outlay in future years. From a rough calculation made on the information given in your Resolution, I gather that the expenditure sanctioned as permanent was about 7,40,000 rupees, and that the temporary charges falling into the year 1883-84 would amount to about 4,50,000 rupees, making a total of nearly 12 lacs of rupees.

5. Of these, the most important measures have been the revision of salaries in the Opium Department, the reorganisation of the Forest Department in Bengal and Madras, the revival of the appointment of a Member of Council for the Public Works Department, the division of Hanthawaddy into two districts, the extra expenditure incurred on the police of the Northern Circars Hill Tracts and the district of Jeypore, in British Burma, in the Punjab, and in Upper Sind, the pensions and other expenses arising from the Afghan War, the appointment of additional Judges for the Chief Court in the Punjab, and of an additional Commissioner in the Central Provinces, the subscription to the hospital at Simla

the

the compensation of officers in the Survey Department, and the grant of various pensions, whether territorial and political, or on account of superannuation.

6. Of temporary measures, involving no future expenditure, or but little compared with the outlay in 1882-83, the most expensive are the compensations awarded for the loss of revenue in certain Native States by the abolition of the transit duties on salt, in connection with the Portuguese tariff arrangements, and in Kandesh, the survey and settlement of Cachar and Tanjore, the purchase of Malwa opium for the Excise Department, the grants for expenditure on forests in British Burma, and on the supply of sleepers for the Patna-Bahraich Railway (both of which are expected to be covered by the receipts arising therefrom), the continuance of the appointment of a Special Judge under the Deccan Agriculturists' Relief Act, the outlay on jails in the Central Provinces, the Census operations, the purchase of the ex-Nawab Nizam's jewels, the appointment of the Railway Police Commission, the cost of providing land for the Bengal Central and Bengal and North Western Railways, the extension of the Cawnpore-Farrakhabad Line, the construction of offices and other buildings at Simla by which rents now paid will be avoided, the purchase of the Bengal Iron Works, the improvement of the salt works, the restoration of embankments in Sindh, the supply of water for Agra, the Madras Harbour Works, the expenditure on the Muzafferpur-Hajipur Railway and the Gunduck Bridge, the contribution to provincial revenues in Madras, the transfer of the "Undaunted" to Bengal, and the allotments for feeder-roads in that province.

7. I agree with your Excellency in considering that, large as is the extra charge which thus fell on the year 1882-83, the record of the manner in which it was spent is not unsatisfactory, so large a portion being due to outlay calculated directly to promote the growth of the revenue; and it is gratifying to know that there is probably a considerable surplus after defraying all these expenses. The fact, however, that unforeseen expenditure arose to the extent of about 270 lacs of rupees, or of nearly 90 lacs exclusive of the war charges, confirms, in my opinion, the necessity for a careful control of the expenditure, both imperial and provincial, which was impressed upon your Government in my Despatch of the 28th of June last, No. 183.

I have, &c.
Kimberley.

— No 8. —

The Secretary of State for India to the Governor General in Council, 22 November 1883, No. 348 (Financial).

My Lord Marquis,

Paragraph 1. I HAVE considered in Council your Excellency's letter, dated the 24th of August, No. 233, replying to my Despatch to you of the 28th of June, No. 183, in which I commented on the increase that had occurred in recent years in the aggregate imperial and provincial expenditure of India, and referred to the very variable outlay of the Provincial Governments, whose balances appeared likely, according to the estimates, to be in some cases reduced to a lower amount than was expedient. Hence, while recognising that the additional outlay had been accompanied by a large and satisfactory growth of revenue, and that I had no reason to doubt that it had been incurred for desirable objects, I deemed it necessary to request that, subject to certain exceptions, the Provincial Budgets might be in future prepared on the principle of keeping the expenditure within the income.

2. I do not propose in this Despatch to follow the detailed explanations given in your letter, and in the interesting Minute of Sir Evelyn Baring which accompanied it; and I will now only refer to the main points on which stress is laid in those papers.

3. In the 4th paragraph you express your full concurrence in the importance, even in a time when the financial position may be favourable, of watching with

care every growth of the expenditure, and state that you are not aware of any remissness in the manner in which that duty has been performed during the last three years. I hoped that in my Despatch I had made it evident that, notwithstanding the general increase of charge, I viewed it as in a great measure unavoidable; and that the only point on which it appeared to me that there might not have been sufficient control was the expenditure of the provincial balances, to which I shall refer presently.

4. It is stated in the 10th paragraph that any comparison between the estimates of incomplete years and the accounts of former years must of necessity be faulty, owing to the caution with which the estimates are compiled. I agree in the advantage of taking the estimates of revenue at no higher an amount than is reasonably safe, and of erring rather on the side of a low receipt in any case of doubt; but, with regard to the expenditure, the estimates should be as accurate as it is practicable to frame them, and it was partly for this reason that in my Despatch I dealt, as a general rule, with the gross expenditure, of which the comparison would not be vitiated (as might have happened in regard to net expenditure) by what I perceived to be the great moderation of some of the estimates of revenue. The estimates of expenditure serve a double purpose, first, to give security that a proper balance is maintained between income and outlay, and, secondly, to prescribe a limit beyond which disbursing authorities are not permitted to go; and, unless they are compared with past accounts, their utility as a check on growing expenditure is greatly diminished. While, therefore, allowance should undoubtedly be made for the circumspection with which they have been prepared, it cannot with propriety be pleaded that the estimates of expenditure are incorrect, and therefore that the criticism passed on them is unsound.

5. Your Excellency points out, in paragraph 12, that the deduction of the war charges in the triennial period from 1880-81 to 1882-83 was incomplete, because in 1881-82 the ordinary military expenditure comprised about 660,000 *l.*, which is believed to have been due to the military operations. Accepting this correction, it will be necessary to reduce the *average* charge for that period, not by 660,000 *l.*, as stated in your letter, but by one-third of that sum, or 220,000 *l.*

6. In paragraph 13 your Excellency remarks that the method of examining in detail the increase of expenditure under one head after another, without reference to the increase of revenue, must lead to inaccurate conclusions; and you give instances in which the increase of charge under one head or in one year has had the result of at least proportionately increasing the revenue under another head or in a succeeding year. Your Excellency's remark is perfectly just, but it was by no means my object to prove that under any particular heads the expenditure had unduly increased; what I desired to show was that, under almost every one of the ordinary heads of charge, there was a continued and unavoidable increase, a fact which made it the more necessary to check the expenditure in the few directions where it might be possible to do so.

7. The explanation given regarding the postal and telegraph charges, by which you show that, if in the former case indirect receipts are taken into account, and if in the latter case capital charges are excluded, those services are nearly or quite self-supporting, is satisfactory. At the same time, however, I must desire that you will exercise a careful supervision of the increasing charges under these heads.

8. In paragraph 27 your Excellency remarks on the distinction between the provincial and the local balances, and observes that the local bodies would have been justified by their increased income in spending, during the last three years, 591,000 *l.* a year in excess of the average of the previous 10 years; and that for the expenditure of this money no reference to the Government of India is necessary. Although this is true, the budgets of the local bodies have to be approved by the Provincial Governments; and I consider it desirable that, in these cases also, great fluctuations of expenditure should be avoided, and that the outlay should be regulated on somewhat similar principles to those prescribed in regard to the provincial expenditure.

9. Your

9. Your Excellency next adverts to the point to which you rightly observe that I attach great importance, namely, that, when additional grants are made from the provincial balances, it should be only on the condition that the establishments are not materially enlarged. This question is examined at some length by Sir Evelyn Baring; and, while admitting that in British Burma, and in a minor degree in Madras, it will be necessary to reduce the establishments which were temporarily increased, he arrives at the conclusion that, speaking generally, the increase which has taken place, except in consequence of the opening of new railways and canals, is only temporary, and that the staff so engaged can be discharged at short notice when their services are no longer required. It is with satisfaction that I receive your assurance that you keep steadily in view the instructions on this subject contained in the Marquis of Hartington's Despatch of the 8th of September 1881, No. 50 (Public Works).

10. In paragraph 30 your Excellency refers to the army non-effective charges, remarking that over the greater portion of those charges the Government of India has no control whatever. It is of course true that, as mentioned in the 24th paragraph of my Despatch of the 28th of June, no steps can be taken for the reduction of pensions already granted or promised to those now in the service. But it should not be forgotten that a large part of the increase which has occurred in recent years has been caused by the augmentation of pensions granted to officers of the Indian Service, one result of which has been greatly to reduce the establishment of effective officers, and therefore to diminish the prospective liability for officers' pensions.

11. In the 31st paragraph you complain that my Despatch, while pressing upon you the necessity of reducing expenditure, took no notice whatever of the proposals made in 1881 for the reduction of the army charges. Those proposals were of so important a character that it would hardly have been proper to have treated them merely as incidental to the general subject of economy; but my views thereon were fully expressed in my Despatch of the 26th of July last, No. 243 (Military), from which you will perceive that I was not satisfied that any financial saving would result from the adoption of the main recommendations of your Government, to which I have been unable to agree. In other Despatches I have expressed my views on the detailed propositions, and large reductions have been effected in consequence.

12. You further express an opinion that it is "necessary that some system "should be devised, under which the Government of India should not be liable "to have heavy charges thrown upon it, with little reference to the special wants "of India or to the condition of its finances." Your Excellency is doubtless aware that in many instances objection has been taken by my predecessors to measures proposed from time to time by the War Office, on the ground of the additional cost to India, and I shall continue to watch carefully the interests of that country in all similar cases; but, the European forces in India being part of the general army of the United Kingdom, it is not practicable to refuse to the troops which are serving in India advantages conceded by Her Majesty's Government, and sanctioned by Parliament, for the remainder of the army of Her Majesty.

13. Your Excellency questions the propriety of my remark that over a number of specified branches of expenditure the Local Governments have more or less direct control; and that I feared that the paramount consideration of keeping the expenditure within the income of the year had not on all occasions received the attention it deserves. I referred to the fact that a large part of the expenditure under those headings had been made over to the supervision of the Provincial Governments, and that in the budgets of many of those Governments in recent years the santioned expenditure was greatly in excess of the estimated income of the year, as distinguished from the accumulated balances. You do not, as I understand it, dispute the accuracy of this position.

14. You then refer to an error, which I much regret, in the 27th paragraph of my Despatch, in which it was said that "the Provincial Governments "exceeded their annual income in 1881-82 by 1,520,000 *l.*, and in 1882-83 by "1,525,000 *l.*, and they are estimated to do so in 1883-84 by 1,500,000 *l.*," whereas in the year 1881-82 the annual income exceeded the expenditure by

the amount named above; and you observe that, "by the subtraction instead "of the addition of about 1,500,000 *l.*, an error of 3,000,000 *l.* is created." In my Despatch the amounts commented on were not added together as showing a cumulative excess on the part of the Local Governments. The increase of the balances in 1881-82 had not been overlooked or mistaken for a deficit, and was commented upon in paragraph 49 of my Despatch of the 12th of July, No. 196. The point which I was enforcing (as you recognise in the 46th paragraph of your letter) was, that "the expenditure should be at a sufficiently uniform rate "to avoid violent fluctuations;" and the passage should have continued, "According, however, to Abstract B, appended to your Financial Statement, "the Provincial Governments spent less than their annual income in 1881-82 "by 1,520,000 *l.*, but exceeded it in 1882-83 by 1,525,000 *l.*" I had before me at the time the want of true economy in irregular accumulations as well as in too large expenditure, and hence in the following paragraph I remarked that the provincial balances should be maintained at a moderate but not excessive amount.

15. In the 39th and following paragraphs of your letter, your Excellency deals with the subject of the reduction of the provincial balances, and with the fear that, if the rate of expenditure were not speedily reduced, difficulty would arise in restoring the equilibrium. You correctly observe that much importance is attached to this subject by Her Majesty's Government, as evinced by Lord Hartington's Despatches, No. 222 of 1881 (paragraph 50), and No. 243 of 1882 (paragraph 41), and it was perhaps partly the omission of your Government to reply to those paragraphs which led me to fear that sufficient attention might not have been paid in India to that question.

16. You state that the expenditure from the balances which accumulated during the Afghan War is of a purely temporary nature, and that, if any Provincial Government had increased its permanent recurring annual expenditure above its permanent recurring annual income, the position would be serious. There would also be ground for anxiety if those Governments had undertaken large public works, which it would be false economy not to complete, but which yet could not be completed with the resources at their disposal. But such apprehensions are, in your opinion, unfounded, the provincial works being isolated, and entailing no liabilities except the small one for the completion of each, the railways and canals being already completed, or nearly so, while the expenditure on civil buildings and roads is entirely under the control of the Government. I had to some extent anticipated the explanation you afford, and it is gratifying to me to receive an assurance from your Excellency, which removes whatever difficulty I have felt in regard to this class of expenditure in the past.

17. With regard, however, to the future, it becomes necessary to consider what rules should be laid down as to the amount of the balances to be maintained by the Provincial Governments, and the extent to which accumulations may be drawn upon by them.

18. In my Despatch I alluded particularly to the comparatively low amounts at which it is estimated that the balances of the Governments of Bengal and British Burma will stand on the 31st of March 1884, and you agree in thinking that those balances are too low. But you observe that no blame can be imputed to the Lieutenant Governor or Chief Commissioner in this matter, because hitherto the rule has been that laid down in the Financial Resolution of the 22nd March 1877, No. 1709, namely, that "a Local Government must "never absolutely exhaust its balance in the Imperial Treasury."

19. I had not been prepared to find that this was the only regulation in force; for, in the 41st paragraph of the Financial Statement of the 8th of March 1882, when referring to the new quinquennial arrangements made with the Local Governments, it was observed that "all Local Governments will, indeed, "find it necessary to keep in hand a moderate reserve, over and above a mere "working balance, of sufficient amount to meet scarcity and distress, not indis- "putably amounting to severe famine, or other temporary exigencies. But it "will no longer be necessary for them to accumulate any great provincial "reserve funds, out of which to meet the demands of severe famine. Where "any

"any such reserve funds have been accumulated, they will be free to be em-
"ployed on works of a productive or a protective character."

20. So far from permitting the Local Governments nearly to exhaust their balances, these words seem to imply that, while hitherto they had been expected to save enough to meet the exigency of famine, it would, in future, only be necessary for them to keep, in addition to their working balance, a moderate reserve. This should, in my opinion, be the rule; and you entirely agree in the suggestion I made that the minimum should "be fixed at such an amount as, "without unduly locking up their funds, shall suffice to meet any exceptional "demands that are at all likely to occur."

21. Considering that the precise sum must depend on the size, revenue, and liabilities of each province, and on its liability to famine, you propose the following amounts as suitable for the provincial, apart from the local, balances:

	£.
Central Provinces	80,000
British Burma	60,000
Assam	50,000
Bengal	200,000
North-West Provinces and Oudh	200,000
Punjab	100,000
Madras	200,000
Bombay	200,000
TOTAL £.	1,090,000

These amounts appear to be suitable in the present circumstances of the several provinces, and I approve of their adoption as the minimum balances to be retained.

22. The question, then, remains, how far the Local Governments should have at their absolute disposal any sums in their balances in excess of these fixed amounts. I readily admit that the accumulations of recent years were due to exceptional circumstances, as, indeed, I recognised in the 29th paragraph of my Despatch of the 28th of June; and that, as you are able to assure me that the expenditure to which they have been devoted is of a temporary character, it has been of advantage that they should have been spent on works of utility.

23. In my Despatch of the 28th of June, however, when treating of the regulations to be prescribed for the future, I had in view a state of affairs in which the balances of many of the provinces were reduced to an unduly low point; and it had to be considered what steps should be taken to prevent their exhaustion, and a consequent demand on your Government for further assistance. In this view, I suggested the propriety of laying down a rule that the Budgets of the Local Governments should be so prepared as to keep the annual expenditure within the annual income, unless some public work had to be undertaken of great importance, which could be executed by contract, and which would involve no permanent increase of establishments.

24. Your Excellency objects to the exclusion of minor works from the objects to which the surplus balances of Local Governments may be devoted, to the enforcement of the contract system in all cases, and to the prohibition of a temporary increase of establishments. But I had no intention of prescribing the specific conditions to which you refer for general adoption, and they were merely named in illustration of my meaning. You are, however, willing to instruct those Governments that their balances must not, without your special sanction, be reduced below the prescribed minimum in each province; that it is desirable that they should in future avoid great fluctuations of expenditure; and that great care must be taken not to increase the permanent public works establishments beyond what would be required when any surplus balances are exhausted. These instructions seem calculated, without interfering with the power of the Local Governments over their balances, to effect the object which I have in view, of avoiding any sudden increase of charge, and they accordingly have my approval.

 25. I am

25. I am glad to learn, from the closing paragraphs of your letter, that your Excellency will be able to reduce not merely the provincial, but also the imperial, expenditure on public works of an unremunerative character, particularly on civil buildings; that you will desire the several Departments, as well as the Local Governments, to prepare their estimates of expenditure with special care, so that they may be more likely to agree with the actual outlay than has been sometimes the case in past years; and that all Departments will be informed that in the Estimates of 1884-85 no increase of expenditure should be provided for except on grounds of the clearest necessity, and that the estimates must be framed with a strict view to economy.

26. In the light of the explanations afforded by your letter under reply, and that of the same date. No. 234, enclosing a Minute by Sir Evelyn Baring, to which I have replied separately, I have much satisfaction in now according my approval of the measures you propose to take, in order to secure additional economy in the public expenditure, and particularly in that entrusted to the Local Governments.

27. As your Excellency is desirous of receiving a reply early in December, I have, on the 20th instant, addressed to you the following telegram:—

"Your Financial Letter of August 24th, No. 233. Last nine paragraphs. "Proposals approved."

I have, &c.
Kimberley.

— No. 9. —

The Secretary of State for India to the Governor General in Council, 22 November 1883, No. 349 (Financial).

My Lord Marquis,

Para. 1. YOUR Excellency's letter, dated the 24th of August, No. 234, forwards two very interesting Minutes by Sir Evelyn Baring, dated the 11th of August, to which is annexed a Memorandum by Mr. Barbour, the Financial Secretary to your Government, on the subject of the alleged increase of expenditure in India during the last three years, which is further illustrated by a statement of the net accounts from 1871-72 to 1883-84, prepared by the Comptroller General. As there is also much valuable detailed information given in your letter, No. 233, and the Minute recorded by Sir Evelyn Baring on the 24th of August which accompanied it, it may be convenient if I endeavour to sum up in one Despatch the results of my examination of these papers.

2. I agree with Sir Evelyn Baring in his objection to a comparison of the expenditure of any single year with the average expenditure of a series of former years, and I consider that the method of comparison by triennial or somewhat similar periods, adopted in my Despatch of the 28th of June last, No. 183, gives a truer result.

3. The table which was appended to the Financial Statement of March last rearranged the accounts for all years since 1871-72, inclusive, on the basis of the Budget for 1883-84, and therefore furnished the means of obtaining a more correct comparison than could be made by reference to the figures in the accounts presented to Parliament. Sir Evelyn Baring, however, points out that it is necessary to examine the question in greater detail, since it frequently happens that an increase of expenditure incurred under one head is directly productive of an increase of revenue recorded, not under the corresponding head of receipt, but under an altogether different heading. This objection applies, of course, to the allegation of an increase of expenditure under the particular head rather than to a comparison of the total net expenditure of the country in various years.

4. He also observes that the average decennial expenditure, especially on public works, having been greatly reduced in consequence of the economy enforced during the Afghan War, and the surplus which then accrued in the provincial balances, under the established financial arrangements between the Government

Government of India and the Local Governments, having been subsequently spent on works of public utility, a complaint of an increase of expenditure in the later years, when compared with that in those which went before, after deducting the war charges, involves the absurdity that, the larger proportion of its income the Government spends on war, the greater is its apparent economy in the management of the finances. The excessive expenditure from the provincial balances in recent years has, Sir Evelyn Baring states, been of a purely temporary nature, and would in ordinary course have been reduced in the coming year.

5. To forbid the Local Governments to spend, for the advantage of the territory that they administer, the savings of a previous year, would, Sir Evelyn Baring remarks, deprive them of any motive for economy, and the result would be that much waste would often be incurred, in order that the whole income might be expended within the year.

6. Sir Evelyn Baring, moreover, observes that the increase which appears in the accounts is not in pounds sterling, but must be measured in rupees; in this he is quite right, but the same rule applies to a conversion of amounts in rupees into sterling at the rate of exchange for the year, since the variations in the exchange value of the rupee do not affect expenditure which occurs in India, forming, as it does, by far the greater part of the whole.

7. With this preliminary summary of the chief general remarks, I proceed to consider the observations relating to the details of expenditure, and, for the sake of convenience, I will take the heads in the order in which they were arranged in the Comparative Statement laid before the House of Commons this year (Paper No. 268), of which I enclose a copy. I accept the figures stated in Sir Evelyn Baring's Minute of the 11th of August (Appendix II.).

8. *Interest on Ordinary Debt* (excluding that charged to Productive Public Works) :— Minute of 24 August, paras. 10 and 11. Minute of 11 August, para. 30. Appendix II., paras. 2 to 4.

	£.
1871-72 to 1873-74, average of three years	5,038,000
1874-75 to 1876-77, ditto - ditto	4,475,000
1877-78 to 1880-81, average of four years	4,377,000
Average of 10 years	4,605,000
1881-82 to 1883-84, average of three years, according to estimates for last two years	3,945,000

The greater part of the reduction is caused by the fact that the capital expenditure on Productive Public Works has largely exceeded the amount borrowed for the purpose; and, as the equivalent of the full sum so spent is annually transferred from the Ordinary to the Productive Works portion of the debt, while the former is, in place of the sums so transferred, only increased by the amount actually borrowed, the interest chargeable on the ordinary portion has been considerably diminished. There has, moreover, been a saving of about 80,000 *l.* a year by the operation of the famine insurance scheme, under which sums amounting to 2,177,000 *l.* will have been applied during the last three years to the redemption of debt.

9. *Interest on Deposits* :— Letter 233, para. 34. Minute of 24 August, para. 10. Minute of 11 August, paras. 8 and 31. Appendix II., paras. 5 to 8.

Average of—	£.
1871-72 to 1873-74	527,000
1874-75 to 1876-77	387,000
1877-78 to 1880-81	383,000
10 years	428,000
1881-82 to 1883-84	479,000

The great reduction shown after 1873-74 was due to the arrangements consequent on the assumption by Government of the liabilities of the Civil Service Provident Funds, to which I shall again refer under the head of Superannuation (in paragraph 48). The charge in the last period was increased by the alteration made in 1881-82, in the practice of debiting the interest on the Presidency Savings Banks deposits in the year in which credit was given in the detailed banking accounts, instead of in the succeeding year, and it is reduced by the transfer in 1883-84 of the charge connected with the Bombay Civil Service Provident Fund to the head of Superannuation; the increase in the

average arising from these nominal transactions is 16,000 *l.* The greater portion of the increase during this period is, however, due to the raising of the rate of interest on Savings Bank deposits in December 1879 from $3\frac{3}{4}$ to $4\frac{1}{6}$ per cent., and to the large addition to the deposits ensuing thereon, which were not withdrawn when the rate of interest was again reduced to $3\frac{3}{4}$ per cent. in May 1881.

Mr. Westland's Note of 20 June 1883, p. 2.

10. *Refunds and Drawbacks.*—In the revised statement of net revenue and expenditure, prepared by the Comptroller General, from which Sir Evelyn Baring's figures are taken, the refunds have been deducted in each case from the revenue head to which they respectively appertain.

Letter No. 233, paras. 15 to 18. Minute of 11 August, paras. 18 and 19. Mr. Barbour's Note, para. 4. Mr. Westland's Note, para. 2.

11. *Assignments and Compensations* have been treated by him in a similar manner, those relating to transit duties and to the Goa Convention being deducted from the receipts for tribute.

12. *Land Revenue Receipts.*

	Gross Revenue.	Refunds and Assignments.	Revenue, less Refunds and Assignments.
Average of—	£.	£.	£.
1871-72 to 1873-74 - -	20,989,000	847,000	20,142,000
1874-75 to 1876-77 - -	20,921,000	873,000	20,048,000
1877-78 to 1880-81 - -	21,337,000	811,000	20,526,000
10 years - - - -	21,108,000	840,000	20,268,000
1881-82 to 1883-84 - -	21,814,000	847,000	20,967,000

Minute of 24 August, paras. 27 to 30. Minute of 11 August, paras. 37 to 49. Appendix II., paras. 9 to 16.

Had not the portion of the land revenue due to Irrigation been excluded since the year 1878-79, and credited under Productive Public Works, the average receipts would have appeared as follows:—

Average of—	£.
1871-72 to 1873-74 - - - - - - -	20,142,000
1874-75 to 1876-77 - - - - - - -	20,048,000
1877-78 to 1880-81 - - - - - - -	20,907,000
10 years - - - - - - - -	20,420,000
1881-82 to 1883-84 - - - - - - -	21,490,000

Owing to the remissions or postponements of collections during famine, there have been great fluctuations in the receipts, but on the whole the land revenue shows a steady tendency to increase.

Letter 233, para. 19. Minute of 24 August, paras. 18, and 26 to 30. Minute of 11 August, paras. 38, 44, and 60. Mr. Barbour's Note para. 2. Appendix II., paras. 27 to 42.

13 *Collection of Land Revenue:—*

Average of—	£.
1871-72 to 1873-74 - - - - - - -	2,833,000
1874-75 to 1876-77 - - - - - - -	2,905,000
1877-78 to 1880-81 - - - - - - -	2,956,000
10 years - - - - - - - -	2,904,000
1881-82 to 1883-84 - - - - - - -	3,091,000

This expenditure, which Sir Evelyn Baring correctly explains to be the general charges of district administration, includes the salaries and establishments of the district officers, whether engaged directly in the collection of the land revenue or otherwise, with the exception of the portion thereof arbitrarily debited to Law and Justice, which in most provinces is one-half, but in Madras only one-fifth. The general tendency of these charges is necessarily to increase, with the growth of population, the addition to the revenue collected, and the material development of the country. There have, however, been certain special reasons for an increase of this expenditure; the reorganisation of the subordinate executive services has been effected, at a cost of 45,000 *l.* a year (divided between this head and Law and Justice); the State has undertaken the payment of patwaris and kanungos in Oudh, involving a charge of 75,000 *l.* a year, which is equivalent

equivalent to a remission of that amount of taxation to the landlords; the establishment of kanungos was at the same time increased, at an expense of 10,000 *l.* a year; in the North West Provinces the establishment of patwaris has been increased, and new settlement operations undertaken; while in Madras the formation of the new district of Anantapur, an increase of the land settlement charges, and the payment of the allowances of district and village officers which had fallen into arrear, have added about 39,000 *l.* a year to the expenditure of 1883-84.

14. *Opium.*

	Gross Revenue, less Refunds.	Expenditure.	Net Revenue.
Average of—	£.	£.	£.
1871-72 to 1873-74	8,755,000	1,804,000	6,951,000
1874-75 to 1876-77	8,717,000	2,468,000	6,249,000
1877-78 to 1880-81	9,844,000	2,114,000	7,730,000
10 years	9,179,000	2,127,000	7,052,000
1881-82 to 1883-84	9,541,000	2,189,000	7,352,000

The expenditure in recent years has been much below that which prevailed during the period from 1874-75 to 1876-77; but Sir Evelyn Baring observes that it is mainly regulated by causes beyond the control of the Government, and that a low expenditure is a matter for regret, as it shows that the poppy crop in Bengal has been short, and consequently that a diminished revenue in subsequent years is to be anticipated. This is true, though it omits to notice the fact that it may sometimes be necessary to increase the payment to the cultivators, in order to prevent a contraction of the area cultivated. A small addition of 5,800 *l.* a year has been made to the charge, in consequence of the reorganisation of the subordinate establishments in Bengal; but it is expected that this will be covered by the increase of revenue resulting from greater efficiency.

Minute of 11 August, paras. 44, 45, 55, and 71. Appendix II., paras. 43 to 45. Letter 233, paras. 7, 14, and 36.

15. *Salt.*

	Gross Revenue, less Refunds.	Assignments and Compensations.	Expenditure.	Net Revenue.
Average of—	£.	£.	£.	£.
1871-72 to 1873-74	6,061,000	45,000	479,000	5,537,000
1874-75 to 1876-77	6,227,000	45,000	487,000	5,695,000
1877-78 to 1880-81	6,884,000	226,000	414,000	6,244,000
10 years	6,440,000	118,000	455,000	5,867,000
1881-82 to 1883-84	6,517,000	338,000	510,000	5,669,000

When the Inland Customs Line was abolished in 1878-79, heavy payments were made to the Native States as compensation for their loss of revenue through the reforms then instituted, and this must therefore be taken into consideration in treating of the net revenue derived from salt. The increase of expenditure in recent years is to a great extent nominal, about 57,000 *l.** being due to the inclusion of the cost of freight to the depôts in Northern India, and also in Bombay, a corresponding increase being made to the selling price, while in Madras establishments costing about 12,000 *l.* have been transferred from the Police to the Salt Department. There has, however, been a real increase of 35,000 *l.* for the improvement of the preventive establishments in Madras, and of 20,000 *l.* for similar reforms in Kathiawar and for a payment to Maharajah Holkar. The revenue, by the latest accounts, shows a most satisfactory tendency to

Letter No. 233, paras. 15 to 18, and 36. Minute of 24 August, paras. 22 and 23. Minute of 11 August, paras. 38*a*, 44, 54*a*, 68, and 70. Mr. Barbour's Note, para. 4. Appendix II., paras. 46 to 61.

	£.
* Carriage and freight in Northern India	73,095
Cost of purchase and freight in Bombay (13,856 *l.*+18,000 *l.*)	31,856
	104,951
Less partial abandonment of depôt system (20,700 *l.*+27,000 *l.*)	47,700
£.	57,251

to increase; and, notwithstanding the reduction of the duty to 2 rupees a maund in 1882, Sir Evelyn Baring says that he doubts not that the revenue at the reduced rate will in a few years be equal to that formerly realised at the higher rate.

16. *Stamps* (excluding Court Fees).

———	Revenue.	Charges.	Net Revenue.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	862,000	33,000	829,000
1874–75 to 1876–77 - -	858,000	45,000	813,000
1877–78 to 1880–81 - -	1,001,000	46,000	955,000
10 years - - - -	916,000	42,000	874,000
1881–82 to 1883–84 - -	1,081,000	44,000	1,037,000

Minute of 24 August, para. 50. Minute of 11 August, paras. 23 and 56. Appendix II., paras. 17, 18, and 70. Mr. Westland's Note, para. 3.

Mr. Westland has deducted from the stamp revenue the receipts from Court Fees, as being strictly receipts on account of "Law and Justice," and has similarly separated the charges according to what he conceives to be a reasonably accurate division. The expenditure is nearly stationary, while the revenue is steadily growing from year to year. About 7,000 *l.*, however, has been merely transferred from the head of Registration.

17. *Excise.*

———	Gross Revenue, less Refunds and Assignments.	Expenditure.	Net Revenue.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	2,326,000	124,000	2,202,000
1874–75 to 1876–77 - -	2,451,000	90,000	2,361,000
1877–78 to 1880–81 - -	2,746,000	98,000	2,648,000
10 years - - - -	2,531,000	103,000	2,428,000
1881–82 to 1883–84 - -	3,498,000	95,000	3,403,000

Minute of 11 August, para. 51. Appendix II., paras. 19 and 20. Mr. Westland's Subsidiary Statement.

The expenditure has not increased, and, though there has been an addition of about 50,000 *l.* a year since 1880-81 to the compensations in Bombay and for refunds, this is very much more than covered by the rapid increase of the revenue.

18. *Provincial Rates.*

———	Gross Revenue, less Refunds.	Expenditure.	Net Revenue.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	1,775,000	32,000	1,743,000
1874–75 to 1876–77 - -	1,872,000	49,000	1,823,000
1877–78 to 1880–81 - -	2,618,000	56,000	2,562,000
10 years - - - -	2,142,000	47,000	2,095,000
1881–82 to 1883–84 - -	2,742,000	52,000	2,690,000

The

The expenditure shows no tendency to increase, though in Bengal it was higher in 1881-82 owing to the revaluations in progress. The remission in 1882 of the patwari cess in the North West Provinces caused a reduction of 241,000 *l.* a year in the revenue, which otherwise shows a moderate but steady improvement. The large increase of revenue after 1876-77 was chiefly due to the imposition of the additional rates for famine purposes.

Minute of 24 August, paras. 20, 29, 30, and 32. Minute of 11 August, para. 38*a*, 44, and 53. Note by Mr. Barbour, para. 9. Appendix II., paras. 21 to 23.

19. *Customs.*

	Revenue, less Refunds.	Expenditure.	Net Revenue.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	2,560,000	186,000	2,374,000
1874–75 to 1876–77 - -	2,563,000	192,000	2,371,000
1877–78 to 1880–81 - -	2,381,000	202,000	2,179,000
10 years - - - -	2,489,000	194,000	2,295,000
1881–82 to 1883–84 - -	1,572,000	165,000	1,407,000

The Customs establishments were considerably reduced when the import duties were abolished, in 1882, with the result that the charge for superannuation was temporarily increased by 25,000 *l.* for gratuities, nearly all of which occurred in 1882-83, and by about 12,000 *l.* a year for pensions.

Minute of 24 August, paras. 20 and 26. Minute of 11 August, paras. 38*a*, 44, 54, 68, and 69. Appendix II., paras. 62 to 64.

20. *Assessed Taxes.*

	Gross Revenue, less Refunds.	Expenditure.	Net Revenue.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	485,000	15,000	470,000
1874–75 to 1876–77 - -	16,000	- -	16,000
1877–78 to 1880–81 - -	557,000	23,000	534,000
10 years - - - -	373,000	14,000	359,000
1881–82 to 1883–84 - -	505,000	14,000	491,000

The expenditure has been somewhat reduced since the assessments were revised in 1880-81. The revenue is slightly diminishing, as no special steps are taken to raise the persons assessed into higher classes, or to bring under assessment those not previously liable, while the progress of remission and reduction goes on steadily.

Minute of 24 August, para. 20. Minute of 11 August, paras. 38*a* and 52. Note by Mr. Barbour, para. 9. Appendix II., paras. 24 to 26.

21. *Forest.*

	Gross Revenue, less Refunds.	Expenditure.	Net Revenue.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	574,000	388,000	186,000
1874–75 to 1876–77 - -	636,000	441,000	195,000
1877–78 to 1880–81 - -	664,000	456,000	208,000
10 years - - - -	629,000	431,000	198,000
1881–82 to 1883–84 - -	908,000	607,000	301,000

Letter No. 233, para. 36. Minute of 24 August, paras. 19 and 31. Minute of 11 August, paras. 13, 44, and 50. Appendix II., paras. 65 to 68.

The expenditure on Forests has continually increased since 1880-81, and in the Budget for 1883-84 is more than 45 per cent. in excess of any year before 1881-82. This is mainly due to the entire reorganisation of the Department in Madras, and to outlay in Bombay on various operations likely to produce an increase of revenue. At the same time the revenue has increased in a greater ratio than the expenditure, and the net receipts were in 1882-83 nearly 40 per cent. above those of 1880-81; but, owing to moderate estimates, the Budget of 1883-84 shows a greatly diminished net revenue.

22. *Registration.*

	Gross Revenue, less Refunds.	Expenditure.	Net Revenue.
Average of—	£.	£.	£.
1871-72 to 1873-74	173,000	117,000	56,000
1874-75 to 1876-77	190,000	136,000	54,000
1877-78 to 1880-81	262,000	162,000	100,000
10 years	214,000	141,000	73,000
1881-82 to 1883-84	281,000	183,000	98,000

Minute of 11 August, para. 57. Appendix II., paras. 69 and 70.

The revenue has remained almost stationary since 1879-80, but it would have been higher by about 7,000 *l.* but for the transfer to the head of Stamps of the fees for inspecting and copying judicial documents in the North-West Provinces. The expenditure shows a gradual tendency to increase. The working of the Deccan Agriculturists Act in Bombay has led to an increase of expenditure and diminution of receipts in that Presidency.

23. *Tributes.*

	Gross Revenue.	Deductions.		Net Revenue.
		Transit Duties.	Goa Convention.	
Average of—	£.	£.	£.	£.
1871-72 to 1873-74	751,000	33,000	- -	718,000
1874-75 to 1876-77	715,000	37,000	- -	678,000
1877-78 to 1880-81	706,000	38,000	12,000	656,000
10 years	722,000	36,000	5,000	681,000
1881-82 to 1883-84	706,000	45,000	56,000	605,000

Minute of 11 August para. 50. Appendix II., paras. 71 to 74. Mr. Westland's Note, para. 2.

As the charges connected with the transit duties and the Goa Convention, included in "Assignments and Compensations," do not appertain to any special head of revenue, they have been treated as a deduction from the tribute receipts. Under the Goa Convention a payment of 49,000 *l.* was made in 1880-81, and it is estimated in 1883-84 at 65,000 *l.* The payments in compensation for transit duties rose in 1880-81 from 39,000 *l.* to 50,000 *l.*, and in 1883-84 are estimated at 49,000 *l.* The revenue cannot fluctuate much, being in most cases fixed by treaty.

24. *Post Office.*

	Gross Expenditure.	Revenue.	Net Expenditure.
Average of—	£.	£.	£.
1871-72 to 1873-74	795,000	696,000	99,000
1874-75 to 1876-77	902,000	768,000	134,000
1877-78 to 1880-81	1,079,000	946,000	133,000
10 years	941,000	818,000	123,000
1881-82 to 1883-84	1,186,000	980,000	206,000

According

According to these figures, the net expenditure of the Post Office has in the last three years increased by nearly 55 per cent. over the charge of the previous seven years, and by 108 per cent. over that of the first period. Your attention was drawn to the increase under this heading in my Despatch of the 27th of September last, No. 279. Since 1871-72, however, the number of post offices and of articles given out for delivery has been doubled, and the number of letter boxes has been quadrupled, involving an increase of the establishment from 10,506 to 18,462 persons. The tendency of the administration of the Post Office is said to have been to advance the interests of the public by curtailing the profits of the Department. How great the additional conveniences have been is shown by the following enumeration of the chief measures of improvement recently adopted. Within the last three years a great reduction has been made in the minimum weight of parcels conveyed, in the registration fee on letters, and in the charge for postage on newspapers. Many new descriptions of business have been undertaken since 1871-72; namely, the Foreign Parcel Post in 1873, by which 88,684 parcels were exchanged last year: the value-payable system in 1877, by which 174,509 articles, valued at nearly 170,000 *l.*, were sent; insurance in 1878, under which articles to the value of 8,180,000 *l.* were insured; money orders in 1880, of which there were issued in 1882-83 about 2½ million orders, their total value exceeding 6,500,000 *l.*; savings banks opened in April 1882, of which there are now nearly 5,000, with more than 50,000 accounts, and a balance exceeding 400,000 *l.*; stock-notes sold by the agency of the Post Office since November 1882; postal notes for fixed sums, first issued in January 1883; and a scheme, now under consideration, for the extension of telegraph work, which, while increasing the postal expenditure, will probably add to the revenue, not of the Post Office, but of the Telegraph Department. The cost of stores has also increased lately, as, besides the regular articles, it has been necessary to obtain a stock of envelopes for soldiers' letters, inland postcards, of which nearly 30 millions were used in 1882-83, international postcards, embossed envelopes for foreign correspondence, and reply postcards recently ordered.

Letter 233, paras. 21 to 23, and 36.
Minute of 24 August, paras. 32 to 40.
Minute of 11 August, paras. 16 and 44.
Appendix II., paras. 75 to 91.

25. Further, it is pointed out that the reforms of the Post Office in many cases improve the revenue under other heads; with the gradual abolition of the bullock train the railway receipts have increased; and the credits from the District Dâk service are brought to account under Provincial Rates. Conversely, the postal charges connected with the Biluchistan agency have been removed from the head of Political to that of Post Office, while the latter Department bears the full cost of the subsidy to the British India Steam Navigation Company of 72,500 *l.* a year, which is by no means paid for postal objects only; the rates for all letters on Government service are also very low. On the whole, the Post Office is now very nearly self-supporting.

26. *Telegraph.*

Average of	Capital Account.			Revenue Account.			Total.		
	Expenditure.	Receipts.	Net Charge.	Expenditure.	Receipts.	Net Charge.	Expenditure.	Receipts.	Net Charge.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
1872–73 to 1873–74 -	122,000	12,000	110,000	325,000	238,000	87,000	447,000	250,000	197,000
1874–75 to 1876–77 -	125,000	8,000	117,000	340,000	304,000	36,000	465,000	312,000	153,000
1877–78 to 1880 81 -	71,000	2,000	69,000	399,000	455,000	—56,000	470,000	457,000	13,000
9 years - - -	100,000	6,000	94,000	363,000	357,000	6,000	463,000	363,000	100,000
1881–82 to 1883–84 -	181,000	6,000	175,000	464,000	510,000	—46,000	645,000	516,000	129,000

[A separate Capital Account was not kept before 1872–73.]

Letter, No. 233, paras. 24 and 25, 36 and 70.
Minute of 24 August, paras. 41 and 42.
Minute of 11 August, paras. 17 and 44.
Appendix II., paras. 92 to 100.

Your Excellency observes that, if capital charges be excluded, the Indian Telegraphs have, since 1877-78, yielded a net revenue which was, doubtless, abnormal during the Afghan War, but is estimated for 1883-84 at 75,000 *l.* As in other Departments, the capital expenditure was restricted during that period, and, in the last two years, the estimates provide for the outlay of no less than 169,000 *l.* and 268,000 *l.* on capital account, chiefly for the construction of railway telegraphs. I am glad, however, to observe that, in this year and also in 1884-85, the actual outlay is not likely to be so great as the amount inserted in the Budget for 1883-84. Up to the end of the current year, 3,173,000 *l.* will have been spent in capital outlay if the estimates should be fulfilled, the whole of that sum having been paid out of income; as regards the receipts, some reduction may, perhaps, have occurred from the permission first granted in January 1882 to send "deferred" messages at half-rates; but, according to the Budget, the income will amount to nearly 2½ per cent. on the total capital charge. The length of wire is estimated at 66,474 miles on the 31st March next, compared with 28,973 miles in 1871-72.

27. *Mint.*

———	Expenditure.	Revenue.	Net Charge.	Net Receipt.
Average of—	£.	£.	£.	£.
1871-72 to 1873-74 - - -	82,000	72,000	10,000	—
1874-75 to 1876-77 - - -	124,000	176,000	- -	52,000
1877-78 to 1880-81 - - -	106,000	234,000	- -	128,000
10 years - - - - -	104,000	168,000	- -	64,000
1881-82 to 1883-84 - - -	83,000	108,000	- -	25,000

Minute of 11 August, para. 15.
Appendix II., paras. 101 and 102.

The revenue and expenditure vary according to the amount of silver coined, which depends on the requirements of trade more than on the action of the Government.

28. *General Administration.*

———	Expenditure.
Average of—	£.
1871-72 to 1873-74 - - - - - -	1,385,000
1874-75 to 1876-77 - - - - - -	1,429,000
1877-78 to 1880-81 - - - - - -	1,501,000
10 years - - - - - - - -	1,445,000
1881-82 to 1883-84 - - - - - -	1,542,000

Minute of 24 August, paras. 45 to 47.
Appendix II., paras. 103 to 149.

For more accurate comparison, the cost of stationery stores purchased in England, which now is included under "Stationery and Printing," and some minor charges on account of Local Funds, have been omitted from these averages in the years before 1876-77. Sir Evelyn Baring has examined this head of expenditure in great detail, and the following table is compiled from the analysis which he gives.

	Average of				
	1871–72 to 1873–74.	1874–75 to 1876–77.	1877–78 to 1880–81.	10 Years.	1881–82 to 1883–84.
INDIA:	£.	£.	£.	£.	£.
Governor General, Governors, Lieutenant Governors, and Chief Commissioners - - - -	97,400	100,600	93,900	97,000	93,400
Staff and Household of ditto - -	50,600	60,300	66,900	60,000	66,000
Executive Councils - - -	65,700	67,600	69,000	67,600	65,900
Tour Expenses:					
Government of India - -	58,400	58,600	75,200	65,200	76,600
Local Governments - -	27,900	28,200	22,400	25,800	24,700
Commissioner of Sind - - -	10,800	11,000	10,400	10,700	11,600
Legislative Council and Department	21,200	23,200	27,300	24,300	24,800
Secretariats - - - - -	314,300	319,800	342,800	327,300	338,700
Consulting Naval Officer - -	- -	3,000	3,900	2,500	—
Board of Revenue and Financial Commission - - - -	84,800	82,100	88,700	85,600	87,700
Commissioners - - - -	226,900	217,200	218,000	220,400	223,400
Account and Audit Offices - -	146,500	163,700	175,400	163,200	196,200
Provincial and Local Fund Establishments in Imperial Offices -	7,300	9,800	8,800	8,700	21,400
Paper Currency Department - -	24,600	23,800	29,400	26,200	24,700
Money Order Department - -	6,400	4,700	4,000	4,900	—
Allowances to Presidency Banks, &c. - - - - - - -	32,600	35,200	36,500	34,900	41,600
Reserve Treasury, Press Commission, European Stores, Rates, Rent, and Taxes, and Petty Construction and Repairs - -	- -	2,100	6,500	3,200	5,600
TOTAL INDIA - - - £.	1,175,400	1,210,900	1,279,100	1,227,500	1,302,300
ENGLAND:					
Secretary of State's Office - -	131,100	135,000	134,900	133,800	135,500
Auditor and Assistants - - -	3,400	4,400	4,800	4,300	5,500
Store Department - - - -	21,700	24,000	24,000	23,300	25,200
Banks of England and Ireland for management of Debt - -	15,400	19,600	23,900	20,100	28,000
Law Charges - - - -	2,600	2,400	1,100	1,900	1,300
Postage to and from India - -	8,600	8,500	6,100	7,600	4,200
Rent, Rates, and Taxes, &c. - -	16,800	16,800	18,900	17,600	18,400
Miscellaneous Charges on account of India - - - - -	9,900	6,700	7,600	8,000	3,500
Stores for India, &c. - - -	- -	200	800	400	18,400
TOTAL ENGLAND - - - £.	209,500	217,600	222,100	217,000	240,000
GRAND TOTAL - - - £.	1,384,900	1,428,500	1,501,200	1,444,500	1,542,300

29. It is evident that the charges comprised under the head of Administration are steadily growing, and there are very few years which do not show an increase as compared with the one immediately preceding. This has, however, occurred almost entirely under five or six sub-heads, which it is desirable to examine more closely.

30. The staff and household expenses of the Viceroy, Governors, Lieutenant Governors, &c., have been to some extent increased by the transfer of charges from the tour expenses of the Local Governments; and these two headings must therefore be taken together. In the four periods which I have selected for comparison they amounted to 78,500 *l.*, 88,500 *l.*, 89,300 *l.*, and 90,700 *l.*, respectively. About 2,000 *l.* of the increase is due to the transfer to this head

of the Viceroy's band, formerly charged under Army; and some 5,000 *l.* or 6,000 *l.* arises from the revision of the rules in regard to the tour expenses of the Local Governments.

31. The tour expenses of the Government of India have been 58,400 *l.*, 58,600 *l.*, 75,200 *l.*, and 76,600 *l.* Sir Evelyn Baring speaks of "a slight tendency to a real increase under this head, due to the gradual growth of establishments as work expands," and he trusts that "the Government of India "will never think of abandoning the annual move to Simla," as a great deal of the cost to the Government comes back in the form of Post Office and Railway receipts, and "the advantage to the public service which accrues from the move is," in his opinion, "out of all proportion to the real annual expenditure." Without controverting this view, I cannot refrain from remarking that the expense of the removal of the Government to Simla appears greatly to have increased since the period of its absence from Calcutta has been so much prolonged as in recent years, owing to which it has become important to transfer to the seat of the Government many departments or establishments which formerly it was not considered essential to take away for a few months from Calcutta. I cannot but think that under this head of charge there is room for economy.

32. The Secretariat offices have cost annually 314,300 *l.*, 319,800 *l.*, 342,800 *l.*, and 338,700 *l.* in the four respective periods. The increase is distributed among the several Secretariats of the Government of India and of the Local Governments; and Sir Evelyn Baring observes that no one who has actual experience of their working can think the present establishments too large. There can be no doubt that the increased attention given to the material and other requirements of the country in recent years has caused far greater demands on the various public offices.

33. The offices of Account and Audit required an average annual expenditure of 146,500 *l.*, 163,700 *l.*, 175,400 *l.*, and 196,200 *l.*, in the four several periods. As is observed by Sir Evelyn Baring, the work of the account offices must increase as the revenue and expenditure expand, and it would be no true economy to weaken these establishments. The recent enlargement of the Audit branch, and revision of the Accounting offices, since the Afghan War, have been the cause of the increase which appears in the most recent years.

34. The cost of the Provincial and Local Fund establishments in Imperial offices has more than doubled in the last few years, the average charge in the four periods having been 7,300 *l.*, 9,800 *l.*, 8,800 *l.*, and 21,400 *l.* To the extent of 5,000 *l.* the increase is nominal, owing to the transfer of certain charges in Madras; and the remainder is due to a revision of the office of Examiner of Local Fund Accounts in Bengal, and to the general growth of the Local Funds establishment in Madras. These increases are a necessary corollary to the development of the Provincial financial system.

35. The allowances to the Presidency banks must necessarily grow with the augmentation of the public debt, though to a slight extent the increase arises from the development of the business of the savings banks; an arrangement has, however, been recently made for a fixed payment to the banks on account of the latter. The total average payments have been 32,600 *l.*, 35,200 *l.*, 36,500 *l.*, and 41,600 *l.*

36. The remaining expenditure in India under the head of Administration has amounted, on the average, to 537,800 *l.*, 535,300 *l.*, 551,100 *l.*, and 537,100 *l.*; and, although there have been a few merely nominal savings, such as the transfer of the Money Order Department to the Post Office, there has been no such increase as to call for any special remark. In England the increase is accounted for by the augmented payments for the management of the debt, and for stores for India, &c.

37. *Law and Justice* (including Court Fees).—In treating of the Stamp revenue, in paragraph 16, I referred to the Comptroller General's deduction therefrom

from of the Court fees, as being strictly receipts on account of "Law and Justice." It therefore becomes necessary to include them here:—

	Expenditure.			Receipts (less Refunds).			Net Expenditure.
	Under Law and Justice.	Under Stamps.	Total.	Under Law and Justice.	Court Fees.	Total.	
Average of—	£.	£.	£.	£.	£.	£.	£.
1871–72 to 1873–74 - -	2,866,000	61,000	2,927,000	559,000	1,699,000	2,258,000	669,000
1874–75 to 1876–77 - -	3,078,000	64,000	3,142,000	565,000	1,916,000	2,481,000	661,000
1877–78 to 1880–81 - -	3,237,000	64,000	3,301,000	612,000	2,102,000	2,714,000	587,000
10 years - - - -	3,078,000	63,000	3,141,000	582,000	1,925,000	2,507,000	634,000
1881–82 to 1883–84 - -	3,284,000	67,000	3,351,000	661,000	2,288,000	2,949,000	402,000

Sir Evelyn Baring remarks that it would be erroneous to suppose that the net cost of the administration of "Law and Justice" is shown by the difference between the expenditure and receipts under that head, since the cost of the Law Courts is mainly paid by suitors in the form of Court fees, credited under Stamps. The real cost has, therefore, been steadily diminishing, and the net result would be lower but for the caution with which the Estimates have been framed. There have, moreover, been special circumstances tending to produce a less favourable result lately. The introduction of the system of impressed labels instead of adhesive stamps has caused unusually large purchases of stock; the reorganization of the Subordinate Civil Service, and the augmentation of the number of munsiffs, have increased the expenditure; and the measures taken by your Government to diminish the competition of jail with free labour has caused the estimate of the receipts to be reduced.

Minute of 24 August, paras. 49 and 50. Minute of 11 August, paras. 22, 23, and 60. Mr. Barbour's Note, para. 2. Appendix II., paras. 150 to 165. Mr. Westland's Note, para. 3.

38. *Police.*

	Expenditure.	Receipts.	Net Charge.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	2,465,000	275,000	2,190,000
1874–75 to 1876–77 - -	2,475,000	220,000	2,255,000
1877–78 to 1880–81 - -	2,480,000	234,000	2,246,000
10 years - - - -	2,474,000	242,000	2,232,000
1881–82 to 1883–84 - -	2,631,000	234,000	2,397,000

The increase which has taken place in the last three years is partly due to the reorganization of the village and district police in British Burma, the purchase of arms for village police in Bengal and Bombay, and the additional cost of clothing in the latter Presidency, but the greater portion arises from the acceptance by the Provincial Governments, on the renewal of their contracts at the end of 1881-82, of the police charges hitherto borne by municipalities.

Minute of 24 August, para. 51. Minute of 11 August, para. 24. Appendix II., paras. 166 to 170.

39. *Marine.*

	Expenditure.	Receipts.	Net Charge.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	557,000	214,000	343,000
1874–75 to 1876–77 - -	643,000	255,000	388,000
1877–78 to 1880–81 - -	543,000	247,000	296,000
10 years - - - -	577,000	239,000	338,000
1881–82 to 1883–84 - -	561,000	219,000	342,000

Minute of 11 August, para. 11. Appendix II., paras. 171-172.

The increase of expenditure in the last period arises partly from the construction of a new troopship costing 129,000 *l.*, and partly from the low estimates of the receipts. It would have been greater on the average by about 23,000 *l.*, but for the removal of pensions and furlough allowances from this head, amounting to 35,000 *l.* in each of the last two years.

40. *Education.*

	Expenditure.	Receipts.	Net Charge.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	881,000	152,000	729,000
1874–75 to 1876–77 - -	1,003,000	146,000	857,000
1877–78 to 1880–81 - -	986,000	152,000	834,000
10 years - - - -	960,000	151,000	809,000
1881–82 to 1883–84 - -	1,138,000	198,000	940,000

Minute of 11 August, paras. 25 and 26. Appendix II., paras. 173 to 177. Note by Mr. Barbour, para. 2.

Sir Evelyn Baring observes that it would be difficult to assign a limit to the amount of money which might usefully be devoted to education in India, and that it is satisfactory to see that, since the pressure of the war was removed, the Local Governments have been able to expend larger sums in this direction. The increase of the receipts from school fees since 1879-80 is also a source of satisfaction.

41. *Ecclesiastical.*

	Expenditure.
Average of—	£.
1871–72 to 1873–74 - - - - - -	160,000
1874–75 to 1876–77 - - - - - -	164,000
1877–78 to 1880–81 - - - - - -	157,000
10 years - - - - - - - -	160,000
1881–82 to 1883–84 - - - - - -	164,000

The variations are very slight, depending chiefly on the number of chaplains absent on furlough. In the Estimates full provision is made for the number at all likely to be present on duty.

42. *Medical.*

	Expenditure.	Receipts.	Net Charge.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	582,000	31,000	551,000
1874–75 to 1876–77 - -	665,000	39,000	626,000
1877–78 to 1880–81 - -	674,000	45,000	629,000
10 years - - - -	644,000	39,000	605,000
1881–82 to 1883–84 - -	701,000	46,000	655,000

Minute of 11 August, para. 27. Appendix II., paras. 180 to 182.

Of the increase about 12,000 *l.* is nominal, owing to the treatment of the cost of maintaining dispensaries, aided by Government, in the North-West Provinces, as an incorporated instead of an excluded local fund. In general, the

the addition to the net expenditure implies a greater number of hospitals and dispensaries, and is therefore not to be regretted. The special causes of increase are the establishment of a medical school at Hyderabad, in Sind, the reorganisation of the Grant Medical College, and opening of additional dispensaries in Bombay, enhanced charges for vaccination and dispensaries in the Punjab, and in Madras the opening of new hospitals and dispensaries, and the constitution of a reserve of civil and military subordinates.

43. *Political.*

	Expenditure.
Average of—	£.
1871-72 to 1873-74	358,000
1874-75 to 1876-77	447,000
1877-78 to 1880-81	470,000
10 years	429,000
1881-82 to 1883-84	534,000

As the Estimate for 1883-84 does not include the subsidy of 120,000 *l.* a year granted recently to the Amir of Afghanistan, the average of the last period should be raised to 574,000 *l.* a year. The great increase which has taken place in recent years began in 1880-81, with the Afghan War, and, unfortuately, much of it is of a permanent character. Apart from the subsidy just mentioned, the expenditure in 1883-84, as shown in the Budget, is very slightly in excess of that of 1879-80, and lower than in any other year since 1875-76.

Minute of 24 August, para. 38. Minute of 11 August, paras. 28 and 29. Appendix II., paras. 183 to 190.

44. *Scientific and other Minor Departments.*

	Expenditure.	Receipts.	Net Charge.
Average of—	£.	£.	£.
1871-72 to 1873-74	355,000	17,000	338,000
1874-75 to 1876-77	374,000	43,000	331,000
1877-78 to 1880-81	370,000	91,000	279,000
10 years	367,000	55,000	312,000
1881-82 to 1883-84	508,000	92,000	416,000

The large increase that has occurred under this heading is due to various causes. The census of 1880-81 cost 219,000 *l.*, of which 189,000 *l.* (involving an average annual expenditure of 63,000 *l.*) fell in the last period. As a result of the recommendations of the Famine Commission, an increase of expenditure is entered in the estimates for the Meteorological Department, for Model Farms, and for Provincial Agricultural Departments, together raising the average by about 17,000 *l.* over the outlay in 1880-81. For Archæology, the preservation of Monuments of Antiquity, Museums, and the Gazetteer and Statistical Memoirs, there is a further average increase of 17,000 *l.* Under the Survey of India an increase of 55,000 *l.* in the three years, or about 18,000 *l.* a year, arises partly from the reduced expenditure on this branch while its officers were detached for duty in Afghanistan, and partly from the very liberal estimate entered in the Budget of 1883-84. The expenditure under the head of Scientific and other Minor Departments shows a continued tendency to increase, and, while much of it is undoubtedly necessary, and perhaps none of it otherwise than desirable, it seems to require very careful supervision.

Minute of 24 August, paras. 53 and 54. Minute of 11 August, paras. 21, and 60 to 62. Appendix II., paras. 190*a* to 210.

45. *Interest Receipts.*

	Receipts.
Average of—	£.
1871-72 to 1873-74	452,000
1874-75 to 1876-77	560,000
1877-78 to 1880-81	696,000
10 years	582,000
1881-82 to 1883-84	745,000

Appendix II., paras. 211 to 216.

The fluctuations which occur under this head are mainly due to the amount of premium obtained on the issue of the annual public loans for Productive Public Works, which is credited under this head. The receipts derived from Loans to Municipalities and Local Boards may be expected to fall off as the loans are gradually repaid. The receipts in 1883-84 in England are likely to exceed the Estimate, owing to the unexpectedly large remittances from India in the early part of the year; but Sir Evelyn Baring is not quite accurate in stating, in the 216th paragraph of the Minute which forms Appendix II. to the Letter No. 234, that the interest arising from the investment of the sum remitted home on account of the Commissioners for the Reduction of Debt at the close of 1882-83 "will be brought to credit in 1883-84." The only amount so credited will be a sum of about 3,900 *l.* obtained from the temporary use of the money before it was invested, and the effect of the permanent investment will be to *reduce the payments* for Interest on Debt, to which I have referred in the eighth paragraph of this Despatch.

46. *Territorial and Political Pensions.*

	Expenditure.
Average of—	£.
1871-72 to 1873-74	911,000
1874-75 to 1876-77	824,000
1877-78 to 1880-81	752,000
10 years	821,000
1881-82 to 1883-84	704,000

Minute of 11 August, paras. 18 and 20.
Appendix II., paras. 217 to 220.

The charge has been considerably reduced, and would have been more so, but for a temporary advance to Maharajah Dhuleep Singh. The transfer from the Remittance Account of an annual payment to the Nawab Nazim, to which Sir Evelyn Baring refers in para. 220 of Appendix II., though affecting the amounts paid in India and England respectively, does not alter the total charge.

47. *Civil Furlough Allowances.*

	Expenditure.
Average of—	£.
1871-72 to 1873-74	196,000
1874-75 to 1876-77	228,000
1877-78 to 1880-81	227,000
10 years	218,000
1881-82 to 1883-84	222,000

Appendix II., paras. 221 and 222.

The charge according to the estimates, which are liberal, is rather less than on the average of the years since 1873-74, when there was a large increase under this head.

48. *Superannuation.*

48. *Superannuation.*

	Expenditure.	Receipts.	Net Charge.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	1,518,000	659,000	859,000
1874–75 to 1876–77 - -	1,840,000	689,000	1,151,000
1877–78 to 1880–81 - -	2,057,000	528,000	1,529,000
10 years - - - -	1,830,000	615,000	1,215,000
1881–82 to 1883–84 - -	2,173,000	314,000	1,859,000

In the 25th paragraph of my Despatch of the 28th of June last, I referred to several matters which had involved an increase of the net charge for superannuation, and Sir Evelyn Baring cites some other points for consideration. The alteration of system when the Government took over the Civil Annuity Funds in 1873-74, while largely increasing the charge under Superannuation, led to a reduction of that under Interest by about 200,000 *l.*, and under General Administration and other service heads by a further sum of 60,000 *l.* a year. The reduction of the Public Works Establishment in 1879-80 was estimated to result in a saving of salaries to the amount of 247,500 *l.* a year, against which have to be set an additional pension charge of about 140,000 *l.* a year, and a payment of about 320,000 *l.* in gratuities. In 1881-82 an exceptional payment of 90,000 *l.* was made to members withdrawing from the Bengal Medical Retiring Fund. A saving of 50,000 *l.* a year in the Customs Establishment has been effected, at a cost of 12,000 *l.* a year in pensions, and of gratuities to the amount of 25,000 *l.* The transfer to the head of Superannuation of the pensions granted to Officers of the Indian Navy and Bengal Pilot Service, and the removal therefrom of certain military pensions, have caused a net increase under Superannuation of about 25,000 *l.* a year. The abolition of the Provident branch of the Bombay Civil Fund has increased this charge by about 5,000 *l.*, while reducing the expenditure under interest on Deposits by 38,000 *l.*

Letter No. 233, paras. 32 to 34. Minute of 24 August, para. 12. Minute of 11 August, para. 10. Appendix II., paras. 8, and 223 to 237.

49. On the whole, Sir Evelyn Baring comes to the conclusion that the true increase of Civil Superannuation since 1877-78 has been about 181,000 *l.* a year, against which must be set the saving in salaries for the Public Works and Customs Departments; and, therefore, while recognising the necessity for carefully watching this head of expenditure, he considers that its growth is by no means so serious as would at first sight appear.

50. *Stationery and Printing.*

	Expenditure.	Net Cost of Stores in England, included under General Administration.	Receipts.	Net Charge.
Average of—	£.	£.	£.	£.
1871-72 to 1873-74 -	238,000	96,000	35,000	299,000
1874–75 to 1876–77 -	326,000	129,000	53,000	402,000
1877–78 to 1880–81 -	454,000	- - -	50,000	404,000
10 years - - -	350,000	68,000	46,000	372,000
1881-82 to 1883–84 -	508,000	- - -	58,000	450,000

In para. 28 I mentioned that the cost of stationery stores purchased in England from 1871-72 to 1875-76 should be omitted from the heading of General Administration, as they are now included under Stationery and Printing. It is therefore necessary, for the sake of comparison, to take them into consideration

Appendix II., paras. 104, and 238 to 241.

sideration in dealing with this heading. Since 1873-74 there has been a very large increase of the net charge. In 1881-82 it was exceptionally heavy, owing to large purchases of stock, and to the work of the census. Considering the rapidly extending work in connection with the Post Office Savings Banks, Money Orders, and Railways, Sir Evelyn Baring anticipates that the charge will continue to grow heavier.

51. *Miscellaneous.*

———	Expenditure.	Receipts, less Refunds.	Net Charge.	Net Receipt.
Average of—	£.	£.	£.	£.
1871-72 to 1873-74 -	627,000	670,000	- - -	43,000
1874-75 to 1876-77 -	567,000	564,000	3,000	—
1877-78 to 1880-81 -	326,000	400,000	- - -	74,000
10 years - - -	489,000	530,000	- - -	41,000
1881-82 to 1883-84 -	365,000	330,000	35,000	—

Appendix II., paras. 242 to 245.

The receipts under this head from 1877-78 to 1880-81 were abnormally increased (to the average amount of 91,000 *l.*) by the credit in 1880-81 of the transfer from the Nizamat Stipend Fund and the proceeds of the sale of land in London. The net charge shows a slight increase in recent years.

52. *Famine Relief and Insurance.*

———	Famine Relief.	Protective Works.	Reduction of Debt.	Total
Average of—	£.	£.	£.	£.
1871-72 to 1873-74 -	1,288,000	- - -	- - -	1,288,000
1874-75 to 1876-77 -	1,663,000	- - -	- - -	1,663,000
1877-78 to 1880-81 -	1,449,000	- - -	- - -	1,449,000
10 years - - -	1,465,000	- - -	- - -	1,465,000
1881-82 to 1883-84 -	24,316	750,000	725,684	1,500,000

Letter No. 233, para. 7. Minute of 24 August, para. 5. Minute of 11 August, paras. 66, 69, 71, and 74. Mr. Barbour's Note, paras. 2, and 9 to 14. Appendix II., paras. 246 and 247.

The expenditure before 1881-82 was exclusively on the actual relief of famine. In the subsequent period the amount so spent averaged only 24,316 *l.*; the amount allotted to the construction of railways and canals calculated to protect the country against famine was 750,000 *l.* a year; and the balance of the 1,500,000 *l.* annually granted under this head, averaging 725,684 *l.*, has been devoted to the reduction of debt.

53. *Productive Public Works, Revenue Account.*—The figures have been re-arranged by the Comptroller General in such a manner as to include under each class of works the charge for interest on the capital outlay expended thereon.

———	Net Expenditure.					Net Revenue.	Total Net Charge.
	Railways.	Irrigation and Navigation.	Miscellaneous Public Improvements.	Total State Works.	Guaranteed Railways.	East Indian Railway.	
Average of—	£.	£.	£.	£.	£.	£.	£.
1871-72 to 1873-74 -	115,000	132,000	- -	247,000	1,764,000	200,000	1,811,000
1874-75 to 1876-77 -	329,000	304,000	- -	633,000	926,000	420,000	1,139,000
1877-78 to 1880-81 -	611,000	— 8,000	9,000	612,000	516,000	852,000	276,000
10 years - - -	378,000	128,000	4,000	510,000	1,014,000	526,000	998,000
1881-82 to 1883-84 -	205,000	—73,000	20,000	152,000	242,000	1,096,000	—702,000

The

The improvement has been very marked, the net expenditure of 1,811,000 *l.* in the first period having been converted into a net receipt of 702,000 *l.* in the last, the total gain of 2,513,000 *l.* being produced as follows: —

Minute of 24 August, paras. 13 and 33.
Minute of 11 August, paras. 57, 42 to 44, 49, 58, 68, 69, and 71.
Appendix II., paras. 1, and 248 to 268.

	£.	£.
Improvement of Guaranteed Railways - - -		1,522,000
„ East Indian Railway - - - -		896,000
„ State Works:	£.	
Irrigation -	205,000	
Less increased charge:		
Railways - - - - 90,000		
Madras Harbour - - 20,000		
	110,000	
		95,000
	£.	2,513,000

The improvement in the Irrigation revenue is largely due to the credit of the portion of land revenue attributable to the British works, which was not shown in the Accounts till 1879-80, with the exception of a partial entry in 1878-79. The sums appearing in 1879-80 and 1880-81 were abnormally large, owing to the receipt of arrears on assigned lands, and an excessive credit in Madras.

54. Compared with the four years from 1877-78 to 1880-81, the average result of the last three years shows an improvement under all headings except that of the Madras Harbour, namely,—

	£.	£.
Guaranteed Railways - - - -	- -	274,000
East Indian Railway - - - -	- -	244,000
State Works: Irrigation - - -	65,000	
Railways - - -	406,000	
	471,000	
Less Madras Harbour - - - -	*—11,000*	
		460,000
	£.	978,000

55. Sir Evelyn Baring remarks that the net charge on the State Works is now less than one-third per cent. on the total capital outlay, even taking the very moderate estimates of the railway receipts for 1882-83 and 1883-84. For the present year the percentage of charge on the State Railways is estimated as only ·44 per cent. on the capital outlay, and that on the Guaranteed Railways at ·50, while the receipt under Irrigation and Navigation is ·13 per cent. on the capital expenditure.

56. *Public Works not classed as Productive.*—In the 22nd paragraph of my Despatch of the 28th of June, I referred especially to the great increase of expenditure, chiefly from the Provincial balances, on Public Works not classed as Productive; and your reply fully confirms the view that it is in this direction that the desired reduction is to be sought.

Letter No. 233, paras. 26 to 29, and 36 to 47.
Minute of 24 August, paras. 56 to 117.
Minute of 11 August, paras. 7, 33, 34, and 71.
Mr. Barbour's Note, paras. 2 and 3.

57. *State Railways, Capital Account.*

	Expenditure
Average of—	£.
1871-72 to 1873-74 - - - - - -	16,000
1874-75 to 1876-77 - - - - - -	66,000
1877-78 to 1880-81 - - - - - -	210,000
10 years - - - - - - - - -	109,000
1881-82 to 1883-84 - - - - - -	399,000

Of the outlay in the last period, 90,000 *l.* on the average is for Imperial Railways, and the remainder for Provincial lines, of which nearly the whole will be completed by the end of this year.

Minute of 24 August, paras. 60 to 62, and 94 to 99.
Minute of 11 August, para. 33.
Appendix II., paras. 269 to 279.

Appendix II., paras. 280 to 291.

58. *State Railways, Working and Maintenance.*—The account of the working and maintenance of the few open railways which are not classed as Productive Works only began in 1882-83, the estimate for which year shows a net expenditure of 24,000 *l.*, which in the present year's Estimate is converted into a surplus of 7,000 *l.* The principal of these lines are works for military purposes, but the heading includes others which are expected to be fairly remunerative.

Minute of 24 August, paras. 9, 100, and 101. Minute of 11 August, para. 34. Appendix II., paras. 292 to 299.

59. *Subsidized Railways* (including the Southern Mahratta Line).—This heading was only opened in 1881-82, for which year the net charge was 15,000 *l.*; in 1882-83 it is estimated at 100,000 *l.*, and in 1883-84 at 175,000 *l.* Nearly half of the expenditure is for the purchase of land for the railways that are being constructed by private agency; 118,000 *l.* is for interest payable to the shareholders of the Southern Mahratta Railway Company, and the remainder is for advances of interest, which are to be repaid at some future date from the surplus profits of the lines.

Letter No. 233, para. 70. Minute of 24 August, para. 8. Appendix II., paras. 300 and 301.

60. *Frontier Railways.*—The bulk of this expenditure occurred in 1879-80 and 1880-81, in which two years the charge amounted to 3,628,000 *l.* In 1881-82, and the two following years, it will only amount, according to the Estimates, to 574,000 *l.*, and after 1883-84 it will cease altogether, or be reduced to a very small amount.

61. *Irrigation and Navigation.*

	Expenditure.	Receipts.	Net Charge.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	565,000	130,000	435,000
1874–75 to 1876–77 - -	685,000	162,000	523,000
1877–78 to 1880–81 - -	692,000	182,000	510,000
10 years - - - -	652,000	160,000	492,000
1881–82 to 1883–84 - -	838,000	135,000	703,000

Minute of 24 August, paras. 63 to 92, and 110 to 117. Minute of 11 August, paras. 13 and 33. Appendix II., paras. 302 to 311.

The great increase in the last period mainly arises from large outlay on embankments in Bengal, on the Orissa Coast Canal, and on minor works in Madras, while the removal of the Eastern Jumna Canal to the class of Productive Works has reduced the receipts, and thereby enhanced the net charge.

62. *Military Works.*

	Expenditure.	Receipts.	Net Charge.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	1,089,000	11,000	1,078,000
1874–75 to 1876–77 - -	1,242,000	24,000	1,218,000
1877–78 to 1880–81 - -	1,070,000	38,000	1,032,000
10 years - - - -	1,127,000	26,000	1,101,000
1881–82 to 1883–84 - -	1,023,000	44,000	979,000

Minute of 11 August, para. 71. Appendix II., paras. 312 and 313.

Until 1876-77 the receipts are not capable of being fully separated from those for Civil Works, and hence the net charge is stated rather higher than the reality in the first two periods. Since 1880-81 it has been the practice to make an annual grant of 1,000,000 *l.* for expenditure on military works, the unexpended balance being re-allotted in the following year as a general rule, although this was not permitted in 1882-83 owing to the pressure of the Egyptian War.

63. *Civil*

63. *Civil Buildings, Roads, and Services.*

	Expenditure.	Receipts.	Net Charge.
Average of—	£.	£.	£.
1871–72 to 1873–74 - -	3,432,000	549,000	2,983,000
1874–75 to 1876–77 - -	3,397,000	515,000	2,882,000
1877–78 to 1880–81 - -	3,119,000	555,000	2,564,000
10 years - - - -	3,327,000	542,000	2,785,000
1881–82 to 1883–84 - -	4,256,000	499,000	3,757,000

From 1877-78 to 1880-81 the net expenditure was, in consequence of the pressure of the Afghan War lower by 368,000 *l.* than on the average of the previous six years, and during this period of reduced outlay the provincial and local balances considerably increased. In the last period those balances are being very freely spent, and I am glad to receive the assurance given by Sir Evelyn Baring that this class of expenditure will certainly be largely reduced in 1884-85.

Letter No. 233, paras. 42, 43, and 70.
Minute of 24 August, paras. 63 to 92, and 102 to 109.
Appendix II., paras. 1, and 314 to 323.

64. The outlay from Imperial funds has, however, also been much enhanced, the figures for the three years 1881-82 to 1883-84 being on the average higher by 116,000 *l.* a year than in 1880-81. This is due to the construction of new Government offices at Calcutta and Simla, and quarters for clerks at the latter station, expenditure which Sir Evelyn Baring says was essential and not liable to recur, but which may to some extent be looked upon as an investment, seeing that their completion will render it unnecessary to rent buildings for the purpose. This item also is likely to be greatly reduced in 1884-85.

65. *Army.*

	Ordinary.			War.
	Expenditure.	Receipts.	Net Charge.	Net Charge.
Average of—	£.	£.	£.	£.
1871–72 to 1873–74 - - -	15,470,000	954,000	14,516,000	—
1874–75 to 1876–77 - - -	15,492,000	987,000	14,505,000	—
1877–78 to 1880–81 - - -	16,836,000	949,000	15,887,000	3,209,000
10 years - - - - -	16,023,000	962,000	15,061,000	1,284,000
1881–82 to 1883–84 - - -	16,484,000	1,005,000	15,479,000	—73,000

According to the Comptroller General's Estimate, the ordinary gross expenditure in 1881-82 included about 660,000 *l.* properly attributable to the Afghan War. Allowing for this, the average net ordinary charge in the last period will be reduced to 15,259,000 *l.*, or at least 600,000 *l.* less than was incurred annually from 1877-78 to 1880-81.

Letter No. 233 paras. 7, 12, 30, and 31.
Minute of 24 August, paras. 12, 15, and 41.
Minute of 11 August, paras. 17, 32, 47, 65, 71, and 74.
Appendix II., paras. 324 and 325

66. *Exchange.*

	Net Expenditure.
Average of—	£.
1871–72 to 1873–74 - - - - - -	670,000
1874–75 to 1876–77 - - - - - -	1,400,000
1877–78 to 1880–81 - - - - - -	2,606,000
10 years - - - - - - - -	1,664,000
1881–82 to 1883–84 - - - - - -	3,407,000

Letter No. 233, para. 7. Minute of 24 August, para. 6. Minute of 11 August, para. 67. Appendix II., paras. 326 and 327.

The amount to be provided under this head in the final period is more than double the average of the preceding 10 years, and exceeds by 800,000 *l.* the average of the four years from 1877-78 to 1880-81. The amount of the charge in any particular year depends on the extent of the Government remittances from India, as well as on the sterling value of the rupee.

67. In closing this detailed examination of the accounts of the last 13 years, it is only necessary for me to repeat the view expressed in the final paragraph of my Despatch of the 28th of June last, of the necessity of sparing no effort in checking the growth of expenditure; and I learn with satisfaction that your Government foresees a large reduction in the next year, and that you are taking steps to secure the regulation by the Local Governments of their expenditure, so as to maintain the proper relation between income and charge, and not to reduce their balances below the fixed minimum amount.

68. I take this opportunity of transmitting, for the information of your Government, a copy of a statement recently compiled in this office, from which your Excellency will readily perceive the various causes which have led to an increase in the Home Disbursements since the years 1856-57.

I have, &c.
Kimberley.

STATEMENT showing NET DISBURSEMENTS in *England* in the Year 1856-57, and in each of the Years from 1860-61 to 1882-83 inclusive, classified under several HEADS; and the Mode in which those DISBURSEMENTS were provided for.

Enclosure in No. 9.

STATEMENT showing NET DISBURSEMENTS in *England* in the Year
classified under several HEADS, and the Mode in

	1856-57. (*a*.)	1860-61.	1861-62.	1862-63.
Net Disbursements.	£.	£.	£.	£.
1. Interest on Debt	889,547	1,852,374	2,124,305	2,195,494
2. Stores for India	1,027,116	1,291,459	1,120,886	696,800
3. Home Charges for Service of British Forces in India	295,000	1,455,961	1,334,042	915,077
4. Passage of Troops to and from India	45,927	365,813	149,022	139,758
5. Furlough Allowances of Indian Officers	234,108	298,275	299,017	266,960
6. Pensions and Annuities of Retired Indian Officers (*b*)	920,016	908,319	938,808	1,130,450
7. Miscellaneous Pensions	299,964	381,762	402,302	478,214
8. Indian Provident Funds	369,243	444,270	458,006	451,751
9. Remittance Transactions not included under other heads	74,279	257,570	197,294	276,408
10. Home Administration	192,159	175,676	185,326	171,921
11. Miscellaneous	82,940	328,530	135,203	153,398
12. Cost of Bullion shipped to India	-	364,497	735,005	—
Purchase of Railway and Irrigation Companies' Undertakings:				
13. Calcutta and South-Eastern Railway	-	-	-	-
14. East India Irrigation and Canal Company	-	-	-	-
15. Madras Irrigation and Canal Company	—	—	—	—
16. Guaranteed and other Companies	-	-	-	-
17. Debt Discharged	-	-	-	1,756,200
18. Balance Increased	-	-	3,080,649	-
	4,430,299	8,124,506	11,169,865	8,632,431
Ways and Means by which the Disbursements were met.				
19. Bills of Exchange and Telegraphic Transfers on India drawn in London.	2,819,710	797	1,193,729	6,641,576
20. Bills of Exchange on India drawn in China	127,173	-	-	-
21. Bills of Exchange on London purchased in India	-	-	120,000	—
22. Bullion Remittances from India:—Gold	-	-	-	-
23. " " " Silver	-	-	-	-
Repayments by the Imperial Government in respect of the Expeditions to:—				
24. China	-	917,601	945,461	242,400
25. Abyssinia (*c*)	-	-	-	-
26. The Mediterranean	—	—	—	—
27. Afghanistan	—	—	—	—
28. Egypt	—	—	—	—
29. Net Receipts from Guaranteed and other Companies	1,093,806	1,954,672	5,216,888	1,263,653
30. " " Southern Mahratta Railway Company	—	—	—	—
31. Debt Incurred	-	3,708,405	3,693,787	-
32. Balance Decreased	389,610	1,543,031	-	484,802
	4,430,299	8,124,506	11,169,865	8,632,431

(*a*) The year immediately preceding that of the Indian Mutiny.
(*b*) Including gratuities and capital payments in lieu of pensions.

Enclosure in No. 9.

1856-57, and in each of the Years from 1860-61 to 1882-83 inclusive, which those DISBURSEMENTS were provided for.

1863–64.	1864–65.	1865–66.	1866-67. (11 Months.)	1867-68.	1868–69.	1869-70.	1870-71.	
£.	£.	£.	£.	£.	£.	£.	£.	
2,079,633	1,925,121	1,950,952	1,970,774	2,147,838	2,159,247	2,210,033	2,350,551	1
405,521	712,717	1,281,540	1,157,378	1,148,276	1,630,972	1,674,242	1,575,876	2.
584,209	1,029,362	849,494	891,612	965,732	852,459	947,375	898,827	3.
174,137	178,264	456,603	846,147	578,815	435,703	284,668	311,652	4.
236,156	238,916	278,474	299,787	338,779	381,596	563,556	646,282	5.
1,117,144	1,088,559	1,086,375	1,062,714	1,075,227	1,065,129	1,065,446	1,059,830	6.
526,559	371,655	372,523	319,376	393,410	280,340	442,811	377,945	7.
473,881	477,677	516,299	434,184	518,062	563,631	603,290	619,066	8.
116,448	155,433	234,234	242,714	532,522	663,514	500,710	589,837	9.
172,405	171,463	181,824	189,017	199,973	209,001	213,288	216,094	10.
447,083	150,645	178,552	272,045	188,736	415,713	214,858	410,708	11
—	—	—	—	—	—	—	--	12.
- -	- -	- -	- -	- -	332,152	500	11,067	13.
- -	- -	- -	- -	- -	14,000	1,043,698	—	14.
—	—	—	—	—	—	—	—	15.
- -	784,544	1,722,097	236,251	- -	- -	2,241,381	2,084,054	16.
5,527,500	186,500	—	—	—	--	—	—	17.
- -	- -	- -	1,279,999	- -	192,972	- -	413,489	18.
11,860,676	7,470,856	9,108,967	9,201,948	8,087,370	9,205,429	12,005,856	11,566,178	
8,979,521	6,789,473	6,998,898	5,613,746	4,137,285	3,705,741	6,980,122	8,443,500	19.
- -	- -	- -	64,000	119,750	—	—	—	20.
—	—	--	—	—	--	—	—	21.
- -	- -	159,858	221,634	—	—	—	—	22.
- -	- -	- -	660,668	- -	- -	- -	571,193	23.
—	—	--	—	—	—	—	—	24.
- -	- -	- -	- -	34,552	4,288,332	1,354,124	127,620	25.
—	—	—	—	—	—	—	—	26.
—	—	—	—	—	—	—	—	27.
—	—	—	—	—	—	—	--	28.
2,228,519	- -	- -	- -	1,366,106	179,717	—	—	29.
—	—	—	—	--	--	—	—	30.
- -	- -	854,100	2,641,900	1,163,907	1,031,639	3,538,112	2,423,856	31.
652,636	681,383	1,096,111	- -	1,265,770	- -	133,498	—	32.
11,860,676	7,470,856	9,108,967	9,201,948	8,087,370	9,205,429	12,005,856	11,566,178	

(c) The sums shown under this head are the amounts received from the Imperial Governm nt in excess of the Disbursements made in England on this account.

STATEMENT showing Net Disbursements in *England* in the Year 1856–57, and in each of the

	1871–72.	1872–73.	1873–74.	1874–75.
Net Disbursements.	£.	£.	£.	£.
1. Interest on Debt	2,438,063	2,464,287	2,433,118	2,178,136
2. Stores for India	1,413,997	1,553,488	2,457,295	2,786,389
3. Home Charges for Service of British Forces in India	1,071,689	1,031,409	861,371	820,630
4. Passage of Troops to and from India	271,374	329,395	381,506	292,860
5. Furlough Allowances of Indian Officers	612,212	580,133	574,317	486,151
6. Pensions and Annuities of Retired Indian Officers (*a*)	1,047,517	1,069,170	1,142,345	1,320,826
7. Miscellaneous Pensions (*b*)	341,203	367,684	337,546	328,345
8. Indian Provident Funds	658,147	660,714	671,307	691,145
9. Remittance Transactions not included under other heads	566,963	395,078	463,618	366,514
10. Home Administration	205,956	205,058	206,179	208,934
11. Miscellaneous	225,874	411,146	237,841	123,588
12. Cost of Bullion shipped to India	—	—	—	—
Purchase of Railway and Irrigation Companies' Undertakings:—				
13. Calcutta and South-Eastern Railway	-	-	-	83,800
14. East India Irrigation and Canal Company	—	—	—	—
15. Madras Irrigation and Canal Company	-	-	-	-
16. Guaranteed and other Companies (*d*)	3,350,631	5,147,871	4,573,978	5,441,403
17. Debt Discharged	-	-	-	-
18. Balance Increased	-	177,353	-	782,732
	12,203,626	14,392,786	14,340,421	15,911,453
Ways and Means by which the Disbursements were met.				
19. Bills of Exchange and Telegraphic Transfers on India drawn in London.	10,310,339	13,939,095	13,285,678	10,841,614
20. Bills of Exchange on India drawn in China	-	-	-	-
21. Bills of Exchange on London purchased in India	-	403,040	-	-
22. Bullion Remittances from India:—Gold	-	-	-	-
23. „ „ Silver	—	—	—	—
Repayments by the Imperial Government in respect of the Expeditions to:—				
24. China	—	—	—	—
25. Abyssinia (*c*)	-	50,651	51,479	-
26. The Mediterranean	-	-	-	-
27. Afghanistan	-	-	-	-
28. Egypt	-	-	-	-
29. Net Receipts from Guaranteed and other Companies (*d*)	—	—	—	—
30. „ „ Southern Mahratta Railway Company	-	-	-	-
31. Debt Incurred	1,408,406	-	18,458	5,069,839
32. Balance Decreased	484,881	-	984,806	-
	12,203,626	14,392,786	14,340,421	15,911,453

(*a*) Including gratuities and capital payments in lieu of pensions. (*b*) Including payments in capitalisation of pensions.
(*c*) The sums shown under this head are the amounts received from the Imperial Government in excess of the Disbursements made in England on this account.
(*d*) Exclusive of the Southern Mahratta Railway Company, the net receipt from which Company in 1882–83 is shown separately.

Years from 1860–61 to 1882–83 inclusive, classified under several Heads, &c.—*continued.*

1875–76.	1876–77.	1877–78.	1878–79.	1879–80.	1880–81.	1881–82.	1882–83. (*e*)	
£.	£.	£.	£.	£.	£.	£.	£.	
2,158,349	2,299,802	2,490,881	2,590,587	2,586,929	2,839,388	2,509,719	2,178,522	1.
2,501,927	2,415,517	2 708,186	1,892,217	2,150,379	2,511,299	1,918,418	1,668,429	2.
804,734	918,878	1,289,933	1,364,700	1,386,922	1,409,748	1,344,235	1,340,383	3.
266,734	317,152	223,846	325,518	320,651	302,317	309,397	284,626	4.
482,447	508,646	512,169	483,371	435,153	456,202	500,515	451,985	5.
1,337,082	1,541,580	1,583,782	1,694,043	1,824,501	1,858,342	1,879,000	1,886,399	6.
311,827	394,641	493,860	280,884	320,677	286,545	283,312	278,370	7.
713,501	736,547	727,620	771,146	765,695	803,387	790,635	800,436	8.
586,147	779,411	610,691	691,624	428,926	342,285	502,475	408,230	9.
217,369	225,953	214,286	221,088	216,208	223,116	218,322	227,993	10.
202,748	230,783	286,022	228,437	222,652	210,478	151,846	246,246	11
—	—	—	—	—	—	—	—	12.
4,250	—	—	—	—	—	—	—	13.
—	—	—	—	—	—	—	—	14.
- -	- -	- -	- -	- -	- -	- -	1,404,077	15.
5,866,171	6,239,089	4,998,430	5,664,804	5,271,738	5,903,119	6,239,589	5,631,522	16.
- -	- -	- -	- -	716,144	- -	3,848,473	—	17.
- -	1,794,068	- -	41,268	1,152,182	1,857,642	- -	(*f*) 803,485	18.
15,486,286	18,411,967	16,110,906	16,249,687	17,798,757	18,503,868	20,495,936	17,912,703	
12,389,613	12,695,799	10,134,455	13,948,565	15,261,810	15,239,677	18,412,429	(*g*) 15,120,521	19.
- -	- -	- -	- -	- -	- -	76,667	192,500	20.
- -	- -	- -	1,516,193	—	—	—	—	21.
- -	- -	- -	- -	486,047	—	—	—	22.
—	—	—	—	—	—	—	—	23.
—	—	—	—	—	—	—	—	24.
13,903	- -	- -	15,122	—	—	—	—	25.
- -	- -	- -	400,000	50,000	—	—	—	26.
- -	- -	- -	- -	2,000,000	500,000	500,000	500,000	27.
- -	- -	- -	- -	- -	- -	- -	500,000	28.
—	—	—	—	—	—	—	—	29.
- -	- -	- -	- -	- -	- -	- -	1,593,653	30.
1,206,299	5,716,168	4,339,141	369,807	- -	2,764,191	- -	6,029	31.
1,876,471	- -	1,637,310	- -	- -	- -	1,506,840	—	32.
15,486,286	18,411,967	16,110,906	16,249,687	17,798,757	18,503,868	20,495,936	17,912,703	

(*e*) The figures in respect of the year 1882–83 have been derived from the "Estimated Account" for that year, presented to Parliament in May 1883.
(*f*) Owing to the remittance to this country of 1,001,393 *l.* to be applied to the reduction of Home Debt.
(*g*) Including 1,001,393 *l.* received on account of the Commission for the Reduction of Debt, referred to in the previous note.

FURTHER PARTICULARS regarding some of

	1856-57.	1860-61.	1861-62.	1862-63.
1. Interest on Debt:	£.	£.	£.	£.
Interest on Loans contracted in England	155,494	1,132,626	1,426,008	1,486,916
Dividends to proprietors of East India Stock	627,893	629,968	630,047	629,970
Interest on the Indian Transfer Loan of 22nd April 1854.	78,273	86,981	76,711	77,243
Interest on Indian Debt paid by bills on London	27,887	2,799	1,539	1,365
	889,547	1,852,374	2,134,305	2,195,494
2. Stores for India;				
Charged in England against Revenue	1,027,116(a)	- -	- -	- -
For Productive Public Works		- -	- -	- -
Treated as Remittance transactions		1,291,459	1,120,886	696,800
	1,027,116	1,291,459	1,120,886	696,800
3. Home Charges for service of British Forces in India:				
Effective	250,000	1,395,961 (c)	1,104,042 (d)	682,077
Non-effective	45,000 (b)	60,000	230,000	233,000
Absorption of supernumerary Commissions in British Regiments.	- -	- -	- -	- -
	295,000	1,455,961	1,334,042	915,077
4. Passage of Troops to and from India: (h)				
Indian Troop Service	- -	- -	- -	- -
Otherwise than in Troop Ships	45,927	365,813	149,022	139,758
	45,927	365,813	149,022	139,758
5. Furlough Allowances of Indian Officers:				
Military	158,028	213,023	199,620	172,938
Civil Service	61,237	71,408	80,261	72,884
Uncovenanted Service	5,315	5,836	7,711	7,597
Indian Navy and Bengal Pilot Service	9,528	8,008	11,425	13,541
	234,108	298,275	299,017	266,960
6. Pensions and Annuities of Retired Indian Officers :(j)				
Military—Retired Pay and Pensions	629,305	634,853	663,663	794,433
,, Gratuities equal to the value of Commissions.	- -	- -	- -	- -
Civil Service—Annuities	267,699	244,070	248,619	252,133
Uncovenanted Service—Pensions	- -	- -	- -	- -
,, ,, Gratuities in lieu of Pensions.	- -	- -	- -	- -
Indian Navy and Bengal Pilot Service—Pensions	23,012	29,396	26,526	29,588
Indian Navy—Commutation of Pensions	- -	- -	- -	54,296
	920,016	908,319	938,808	1,130,450
7. Miscellaneous Pensions :(j)				
(Including those for Distinguished Services, of Judges of the High Courts in India, of Officers of the Home Establishment, of widows and families of Indian Officers granted by Government, Compassionate Pensions, &c.)				
Civil (k)	205,825	257,671	249,520	242,969
Military (k)	83,247	91,213	127,782	103,778
Territorial and Political (l)	10,892	32,878	25,000	131,467
	299,964	381,762	402,302	478,214

2. Stores for India.—(*a.*) The sum charged against revenue for stores in the year 1856-57 was 1,016,728 *l.*:—being 955,345 *l.*, invoice value of stores consigned to India during the year; 2,725 *l.*, the value of arms taken to India by Her Majesty's regiments; and 58,658 *l.*, part of 61,889 *l.*, the cost of coals and various expenses connected with steam communication.

3. Home Charges for service of British Forces in India.—Under this head it may be well to observe that the following payments in connection with the Indian Local Army are included under the head of "Miscellaneous," viz., Recruiting Charges, in 1856-57, 65,420 *l.*; in 1860-61, 71,222 *l.*; and in 1861-62, 23.372 *l.*; the Military College at Addiscombe, in 1856-57, 7,104 *l.*; in 1860-61, 6,071 *l.*; and in 1861-62, 11,014 *l.*—(*b.*) The sum of 45,000 *l.* paid during the year 1856-57 for Non-Effective Charges was in respect of three-quarters of a year only, at the rate of 60,000 *l.* a year, under Act 4 Geo. 4. c. 71.—(*c.*) The sum paid in 1860-61 for Effective Charges included 419,533 *l.* on account of balances in respect of years to 1858-59 inclusive, and 400,000 *l.* on account of 1859-60.—(*d.*) The payment of a capitation rate calculated on the number of effectives of Her Majesty's British Forces serving in India, at the rate of 10 *l.* a man a year for Effective, and of 3 *l.* 10 *s.* a man a year for Non-Effective Charges, in commutation of the War Office claims on that account, came into operation from the 1st April 1861, and continued until the 31st March 1870. The sum paid for Effective Charges in 1861-62, however, included also 160,000 *l.* on account of 1859-60, and 150,000 *l.* on account of 1860-61.—(*e.*) From the payments made in 1863-64 on account of Effective Charges, amounting to 552,642 *l.*, has been deducted a sum of 213,433 *l.*, recovered from the War Office in that year in respect of Depôt and Recruiting Charges, &c., of Her Majesty's regiments serving in India for the years 1855-56 to 1860-61.—(*f.*) The capitation rate having ceased on the 31st March 1870, it was agreed with the War Department that subsequent claims for Effective Charges should, as far as possible, be adjusted on the principle of actual charges.—(*g.*) With regard to Non-Effective Charges, it was agreed that from the 1st April 1870 the amount of Pensions granted in each year should be ascertained, and the proportion due to service in India be capitalised and paid from Indian Revenues, India being thereby relieved from all further claims by the Imperial Government on account of such Pensions,

the HEADS in the foregoing STATEMENT.

1863–64.	1864–65.	1865–66.	1866–67. (11 months.)	1867–68.	1868–69.	1869–70.	1870–71.
£.	£.	£.	£.	£.	£.	£.	£.
1,372,599	1,221,124	1,249,765	1,306,203	1,452,490	1,465,016	1,516,378	1,659,868
629,970	629,970	629,970	629,970	629,970	629,870	629,970	629,970
75,834	72,837	70,025	33,490	64,351	68,234	62,658	59,686
1,230	1,190	1,192	1,021	1,027	1,027	1,027	1,027
2,079,633	1,925,121	1,950,952	1,970,774	2,147,838	2,159,247	2,210,033	2,350,551
- -	- -	- -	1,157,378	1,148,276	1,630,972	1,550,807	1,510,104
- -	- -	- -	- -	- -	- -	123,435	38,209
405,521	712,717	1,281,540	- -	- -	- -	- -	27,563
405,521	712,717	1,281,540	1,157,378	1,148,276	1,630,972	1,674,242	1,575,876
339,209(*e*)	811,612	636,302	681,612	745,232	635,459	730,375	659,265 (*f*)
245,000	217,750	213,192	210,000	220,500	217,000	217,000	216,462 (*g*)
- -	- -	- -	- -	- -	- -	- -	23,100
584,209	1,029,362	849,494	891,612	965,732	852,459	947,375	898,827
- -	- -	177,021(*i*)	573,512 (*i*)	416,931(*i*)	289,380(*i*)	224,667	262,541
174,137	178,264	279,582	272,635	161,884	146,323	60,001	49,111
174,137	178,264	456,603	846,147	578,815	435,703	284,668	311,652
161,410	169,413	199,032	218,675	237,940	257,065	402,885	469,014
59,688	53,788	58,992	58,900	76,468	93,486	123,033	136,855
12,404	14,233	18,594	20,405	22,691	28,975	34,885	38,212
2,654	1,482	1,856	1,807	1,680	2,070	2,753	2,201
236,156	238,916	278,474	299,787	338,779	381,596	563,556	646,282
768,072	775,209	761,021	747,262	750,806	766,952	750,867	754,347
- -	- -	- -	- -	- -	6,400	6,750	12,975
262,666	251,451	254,623	246,837	245,804	213,139	211,611	202,897
1,559	6,372	10,145	14,070	19,794	24,616	28,377	27,771
- -	517	3,535	240	- -	1,400	676	5,360
53,951	54,069	56,743	53,725	52,910	52,317	52,240	51,663
30,896	941	308	580	5,823	285	5,925	4,817
1,117,144	1,088,559	1,086,375	1,062,714	1,075,227	1,065,129	1,065,446	1,059,830
238,147	223,296	220,443	193,476	205,873	197,297	199,741	189,994
151,971	127,759	125,493	91,583	164,822	55,065	206,280	133,322
136,441	20,600	26,587	34,317	22,715	36,978	36,790	54,629
526,559	371,655	372,523	319,376	393,410	289,340	442,811	377,945

4. Passage of Troops to and from India.—(*h.*) The sums on this account included above show the manner in which the payments *in England* have been increased in consequence of the introduction of the Indian Troop Service. While comparatively small payments are now made in India on this account, under the former system the payments were nearly equally divided between the two countries.—(*i.*) The payments on account of the Indian Troop Service include the following sums on account of the construction of the Troop Ships: in 1865–66, 177,021 *l.*; in 1866–67, 569,626 *l.*; in 1867–68, 272,203 *l.*; and in 1868–69, 13,176 *l.*

6 and 7. Pensions and Annuities of Retired Indian Officers —Miscellaneous Pensions.—(*j.*) The Pensions have been divided into these two heads, in order that under the former head may be readily seen the effect produced on the Home payments by recent Retirement Schemes.

7. Miscellaneous Pensions.—(*k.*) These Pensions have been classified as Civil and Military, accordingly as they have been charged in the Accounts of the respective years. Under the head of Military have been included the sums paid to the representatives of Lord Clive under an order of the Master of the Rolls dated 2nd August 1867, viz., 23,079 *l.* in 1867–68, and sums in each subsequent year varying from 1,940 *l.* in 1868–69 to 1,232 *l.* in 1882–83. The variations in the sums paid under the head of Military Pensions in each year mainly arise, however, from the adjustments in respect of Pensions paid in the Colonies, and by British Staff Officers of Pensioners, having been made at irregular intervals.—(*l.*) Territorial and Political. The sums shown under this head from 1856–57 to 1870–71 include, in addition to the stipend of the Maharajah Dulleep Singh, the following payments made to him, viz., in 1860–61, 9,000 *l.*; in 1862–63, 105,000 *l.*; in 1863–64, 110,000 *l.*; in 1866–67, 14,415 *l.*; in 1868–69, 13,585 *l.*; and the following sums paid on account of the Nawab Nazim of Bengal and his sons, viz., in 1865–66, 5,987 *l.*; in 1866–67, 1,150 *l.*; in 1867–68, 2,836 *l.*; in 1868–69, 3,692 *l.*; in 1869–70, 17,454 *l.*; and in 1870–71, 35,293 *l.*

FURTHER Particulars regarding some of

	1871–72.	1872–73.	1873–74.	1874–75.
1. Interest on Debt :	£.	£.	£.	£.
Interest on Loans contracted in England (*a*)	1,749,743	1,781,656	1,752,683	1,943,488
Dividends to proprietors of East India Stock	629,970	629,970	629,970	198,484
Interest on the Indian Transfer Loan of 22nd April 1854	57,323	55,279	51,644	48,575
Interest on Indian Debt paid by bills on London	1,027	210	—	—
	2,438,063	2,467,115	2,434,297	2,190,547
Deduct—Interest remaining unclaimed for 10 years, repaid by the Bank of England, Bank of Ireland, &c.	- -	2,828	1,179	12,411
	2,438,063	2,464,287	2,433,118	2,178,136
2. Stores for India :				
Charged in England against Revenue	1,268,520	1,146,116	1,156,535	1,595,878
For Productive Public Works	111,021	296,933	1,002,059	1,040,056
Treated as Remittance transactions	34,456	110,439	298,701	150,455
	1,413,997	1,553,488	2,457,295	2,786,389
3. Home Charges for service of British Forces in India :				
Effective	591,715	659,774	567,321	510,779
Non-Effective	457,224 (*b*)	321,148	280,000	308,501
Absorption of supernumerary Commissions in British Regiments.	22,750	50,487	14,050	1,350
	1,071,689	1,031,409	861,371	820,630
4. Passage of Troops to and from India :				
Indian Troop Service	253,003	304,539	368,464	283,090
Otherwise than in Troop Ships	18,371	24,856	13,042	9,770
	271,374	329,395	381,506	292,860
5. Furlough Allowances of Indian Officers ;				
Military	437,778	423,127	409,032	337,683
Civil Service	130,781	113,453	104,103	87,795
Uncovenanted Service	42,247	42,606	60,705	59,993
Indian Navy and Bengal Pilot Service	1,406	947	477	675
	612,212	580,133	574,317	486,151
6. Pensions and Annuities of Retired Indian Officers : (*i*)				
Military—Retired Pay and Pensions	750,575	765,004	816,597	835,169
„ Capitalised value of Annuities	- -	- -	- -	147,040
„ Gratuities equal to the value of Commissions	8,925	8,475	8,300	9,888
Civil Service—Annuities	201,592	208,032	222,270	238,983
Uncovenanted Service—Pensions	32,095	36,572	39,788	38,549
„ „ Gratuities in lieu of Pensions	2,393	813	1,812	48
Indian Navy and Bengal Pilot Service—Pensions	49,965	49,675	48,659	50,751
Indian Navy—Commutation of Pensions	1,972	599	4,919	398
	1,047,517	1,069,170	1,142,345	1,320,826
7. *Miscellaneous Pensions : (i)*				
(Including those for Distinguished Services, of Judges of the High Courts in India, of Officers of the Home Establishment, of widows and families of Indian Officers granted by Government, Compassionate Pensions, &c.)				
Civil	186,802	212,776	183,342	169,847
Military	133,331	134,477	133,168	133,462
„ Capitalised value of Pensions (*l*)	- -	- -	- -	- -
Territorial and Political (*m*)	21,070	20,431	21,036	25,036
	341,203	367,684	337,546	328,345

1. Interest on Debt.—(*a.*) This is exclusive of the Interest on Debt incurred in respect of the East Indian Railway, which is included among the disbursements recorded under that Railway on page 215.

3. Home Charges for service of British Forces in India. Non-Effective.—(*b.*) The sum paid on this account in 1871-72 included 215,225 *l.*, being the balance certified by the Actuaries as payable for the year 1870-71.—(*c.*) The actual charge for 1876-77 proved to be 765,977 *l.*, but the amount paid in the year was only 363,330 *l.*, which included a balance of 68,330 *l.* owing for 1873-74.—(*d.*) The actual charge for 1877-78 was 730,756 *l.* The sum paid in the year was 648,841 *l.*, of which 148,841 *l.* was the balance owing for 1874-75.—(*e.*) The actual charge for 1878-79 was 855,949 *l.* The amount paid in the year was 650,000 *l.*, of which 100,000 *l.* was on account of arrears owing for 1875-76.—(*f.*) The actual charge for 1879-80 was 886,142 *l.* The sum paid in the year was 643,085 *l.*, of which 93,085 *l.* was the balance owing for 1875-76.—(*g.*) The charge for 1880-81 will probably amount to 928,000 *l.*—(*h.*) It is estimated that the charge for each of the years 1881-82 and 1882 83 will amount to 900,000 *l.*

6 and 7. Pensions and Annuities of Retired Indian Officers. Miscellaneous Pensions.—(*i.*) The Pensions have been divided into these two heads, in order that under the former head may be readily seen the effect produced on the Home payments by recent Retirement Schemes.

the Heads in the foregoing Statement—*continued.*

1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	1882-83.
£.	£.	£.	£.	£.	£.	£.	£.
2,115,052	2,271,982	2,447,607	2,547,852	2,544,201	2,295,700	2,466,865	2,435,634
- -	13	- -	586	260	- -	269	15
45,803	44,966	44,675	44,674	44,674	45,518	44,794	45,498
—	—	—	—	—	—	—	—
2,160,855	2,316,963	2,492,282	2,593,112	2,589,135	2,341,218	2,511,928	2,481,147
2,506	17,161	1,401	2,525	2,203	1,830	2,209	2,625
2,158,349	2,299,802	2,490,881	2,590,587	2,586,929	2,339,388	2,509,719	2,478,522
1,544,643	1,544,097	1,513,823	1,090,289	1,446,591	1,732,087	1,332,468	1,082,765
736,631	608,468	1,137,665	682,505	530,700	557,269	427,774	361,101
223,653	262,952	116,998	119,423	173,088	221,943	158,176	224,563
2,504,927	2,415,517	2,768,486	1,892,217	2,150,379	2,511,299	1,918,418	1,668,429
454,284	550,548	641,092	714,700	743,837	759,748	615,017	609,153
350,000	363,330 (*c*)	648,841 (*d*)	650,000 (*e*)	643,085 (*f*)	650,000 (*g*)	729,218 (*h*)	731,230 (*h*)
450	—	- -	—	—	—	—	—
804,734	918,878	1,289,933	1,364,700	1,386,922	1,409,748	1,344,235	1,340,383
248,890	304,437	219,543	311,441	312,005	292,052	303,162	279,555
17,844	12,715	4,303	14,077	8,646	10,265	6,235	5,071
266,734	317,152	223,846	325,518	320,651	302,317	309,397	284,626
315,301	335,224	334,051	312,731	275,442	293,496	331,953	291,696
106,951	96,514	91,309	96,887	89,303	100,068	102,521	92,047
59,618	75,949	85,728	72,831	67,349	60,702	64,539	66,081
577	959	1,081	922	3,059	1,846	1,502	2,161
482,447	508,646	512,169	483,371	435,153	456,202	500,515	451,985
906,339	983,488	1,031,541	1,107,650	1,182,418	1,245,711	1,304,484	1,360,535
75,775	123,006	83,982	98,224	141,732	78,908	59,566	7,969
1,800	913	- -	850	1,213	—	—	—
261,484	344,101 (*j*)	378,300 (*j*)	391,769	404,293	408,102	404,140	409,230
40,884	40,763	43,999	48,802	51,952	79,061	72,963	71,886
1,197	1,129	1,433	3,911	3,897	6,500	2,687	3,868
47,997	45,600	43,074	42,720	38,996	40,060	35,160	34,911
1,606	2,580	1,453	117	—	--	—	—
1,337,082	1,541,580	1,583,782	1,694,043	1,824,501	1,858,342	1,879,000	1,888,399
177,310	160,645	161,676	162,681	160,949	168,076	141,252 (*k*)	128,946 (*k*)
123,497	98,737	114,917	77,934	83,239	82,868	110,795 (*k*)	118,159 (*k*)
- -	100,000	100,000	- -	44,224	—	—	—
41,020	35,259	27,267	40,269	27,265	35,601	31,265	31,265
341,827	394,641	403,860	280,884	320,677	286,545	283,312	278,370

6. Pensions and Annuities of Retired Indian Officers.—(*j.*) The large increase in the sum paid on account of Civil Service Annuities in 1876-77 and 1877-78 arose from the payments in this country of Annuities, amounting to nearly 100,000 *l.*, which had been previously paid in India.

7. Miscellaneous Pensions.—(*k.*) The increase in the Military and the decrease in the Civil Pensions in the years 1881-82 and 1882-83 are consequent on the transfer of some Pensions from the head of Civil to that of Military, in accordance with the Despatch to India, dated 23rd November 1882, No. 374 (Financial), paragraph 3. See also note on page 209 regarding the Pensions classified under these heads.—(*l.*) Capitalised value of Pensions. Payments to the Imperial Government on account of the capitalised value from 1st April 1874 of the proportion chargeable to Indian Revenues of the Pensions granted, between 18th February 1861 and 31st March 1870, to soldiers transferred from the Indian Local Army to the British Army.—(*m.*) Territorial and Political. The sums shown under this head from 1871-72 to 1882-83 include, in addition to the stipend of the Maharajah Duleep Singh, the following payments made to him, viz., in 1878-79, 13,000 *l.*, and in 1880-81, 3,836 *l.*; and the following sums paid on account of the Nawab Nazim of Bengal and his sons, viz., in 1871-72, 1,734 *l.*; in 1872-73, 1,095 *l.*; in 1873-74, 1,700 *l.*; in 1874-75, 5,700 *l.*; in 1875-76, 21,684 *l.*; in 1876-77, 14,192 *l.*; in 1877-78, 6,200 *l.*; in 1878-79, 6,204 *l.*; in 1879-80, 6,200 *l.*; in 1880-81, 10,700 *l.*; in 1881-82, 10,200 *l.*; and in 1882-83, 10,200 *l.*

FURTHER Particulars regarding some of

	1856-57.	1860-61.	1861-62.	1862-63.
8. Indian Provident Funds (to which the officers subscribed):	£.	£.	£.	£.
Civil	69,000	89,000	92,700	98,500
Military, Medical, and Indian Navy	300,243	355,270	365,306	353,251
	369,243	444,270	458,006	451,751
9. Remittance transactions not included under other heads:				
Disbursements	151,630	394,109	326,006	403,074
Receipts	77,351	136,539	128,712	126,666
	74,279	257,570	197,294	276,408
10. Home Administration:				
Salaries of the Home Establishment	136,177	126,897	117,169	117,724
Auditor and assistants, under Act 21 & 22 Vict. c. 106, s. 52.	- -	906	1,413	2,197
Store Department: wages of labourers, &c. (a)	9,361	9,311	14,033	13,758
Law Charges	19,517 (b)	6,877	5,807	2,652
Bank of England, &c., for management of debt	- -	4,344	12,076	10,205
East India Company for expenses in respect of their capital stock and dividends.	- -	2,032	3,240	3,040
Postage of despatches to and from India	4,139	4,430	5,168	3,454
Telegrams, mainly telegrams to India	- -	152	2,057 (c)	475
Office contingencies	20,409	20,593	21,056	15,839
	189,603	175,452	182,019	169,344
Stationery, printing, and bookbinding	3,793	5,437	4,305	3,287
	193,396	180,889	186,324	172,631
Deduct,—Receipts	1,237	5,213 (d)	998	710
	192,159	175,676	185,326	171,921
11. Miscellaneous:				
Disbursements	250,673	392,017	337,015	330,196
Receipts	167,733	63,487	201,812	176,798
	82,940	328,530	135,203	153,398
16 & 29. Guaranteed Companies:				
Payments out of Capital	1,782,888	2,464,809	1,717,474	1,877,013
Receipts on account of Capital	3,372,733	5,899,402	8,720,025	5,306,835
	1,589,845	*3,434,593*	*7,002,551*	*3,429,822*
Interest	496,039	1,479,921	1,785,663	2,166,169
	1,093,806	*1,954,672*	*5,216,888*	*1,263,653*
17 & 31. Debt incurred or discharged:				
Debt incurred	- -	4,794,200	4,920,900	- -
Premium realised	- -	- -	74,487	- -
Discount allowed	- -	129,595	—	—
	- -	4,664,605	4,995,387	- -
Debt discharged	- -	956,200	1,301,600	1,756,200
	- -	*3,708,405*	*3,693,787*	1,756,200
18 & 32. Balance increased or decreased:				
Balance at the commencement of year	3,431,554	4,196,094	2,653,063	5,733,712
Balance at the close of year	3,041,944	2,653,063	5,733,712	5,248,910
	389,610	*1,543,031*	3,080,649	*484,802*

NOTE.—Sums printed in *italics* indicate net Receipts or Balance decreased.

10. Home Administration.—(*a*) The salaries of the superior officers of the Store Department are included among the "Salaries of the Home Establishment," the first item under this head.—(*b*) The sum of 19,517 *l.*, for law charges in 1856-57, included 8,483 *l.* in respect of the "Nawab of Surat Treaty Bill," and 5,750 *l.* on account of legal proceedings for sustaining the validity of the will of the late D. O. Dyce Sombre.—(*c*) The sum paid for telegrams in 1861-62 was on account of messages, both to and from India, sent by the line of the Red Sea Telegraph Company during the years 1859 and 1860.—(*d*) The receipts in 1860-61 included 4,342 *l.*, the proceeds of sales of waste paper, &c. on removing from the East India House.

the Heads in the foregoing Statement—*continued.*

1863-64.	1864-65.	1865-66.	1866-67. (11 Months.)	1867-68.	1868-69.	1869-70.	1870-71.
£.	£.	£.	£.	£.	£.	£.	£.
96,000	97,500	103,500	114,500	116,500	114,500	125,500	115,500
377,881	380,177	412,799	319,634	401,562	449,131	477,790	504,466
473,881	477,677	516,299	434,134	518,062	563,631	603,290	619,966
330,416	344,945	418,852	406,512	675,080	806,660	713,675	705,729
213,968	189,512	184,618	163,798	143,158	143,146	212,965	115,892
116,448	155,433	234,234	242,714	532,522	663,514	500,710	589,837
117,108	117,795	120,100	122,391	125,765	129,059	132,643	134,013
2,152	2,152	2,214	2,269	2,505	2,645	2,942	3,053
11,490	13,433	15,850	19,862	22,204	21,517	21,894	21,733
5,498	3,714	3,017	3,489	5,195	5,206	4,768	7,138
9,444	10,313	10,391	10,769	11,756	12,944	13,606	15,267
3,040	2,840	2,840	2,640	2,840	2,840	2,840	2,840
2,807	4,647	3,275	4,475	5,626	8,626	9,145	8,674
160	107	748	737	1,514	1,519	858	1,415
17,160	17,443	19,814	18,477	19,123	17,492	17,004	16,105
168,859	172,444	178,249	185,109	196,528	201,848	205,700	210,238
4,007	2,775	3,787	4,290	3,990	7,380	8,214	7,097
172,866	175,219	182,036	189,399	200,518	209,228	213,914	217,335
461	3,756	212	382	545	227	626	1,241
172,405	171,463	181,824	189,017	199,973	209,001	213,288	216,094
646,292(*e*)	323,377	278,769	372,211	341,660	519,270(*f*)	318,878	493,175(*g*)
199,209	172,732	100,217	100,166	152,924	103,557	104,020	82,467
447,083	150,645	178,552	272,045	188,736	415,713	214,858	410,708
1,481,612	2,046,180	3,025,152	4,019,571	4,611,809	2,414,591	3,202,300	5,361,418
6,167,206	3,948,505	4,200,904	6,826,998	9,472,232	6,502,505	5,088,825	7,630,077
4,685,594	*1,902,325*	*1,175,752*	*2,807,427*	*4,860,423*	*4,087,914*	*1,886,525*	*2,268,659*
2,457,075	2,686,869	2,897,849	3,043,678	3,494,317	3,908,197	4,127,906	4,352,713
2,228,519	784,544	1,722,097	236,251	*1,366,106*	*179,717*	2,241,381	2,084,054
2,441,000	- -	850,000	2,682,600	1,159,000	1,503,000	4,000,000	2,410,000
- -	- -	32,800	49,300	5,407	31,139	39,412	13,856
—	—	—	—	—	—	—	—
2,441,000	- -	882,800	2,731,900	1,164,407	1,534,139	4,039,412	2,423,856
7,968,500	186,500	28,700	90,000	500	502,500	501,300	—
5,527,500	186,500	*854,100*	*2,641,900*	*1,163,907*	*1,031,639*	*3,538,112*	*2,423,856*
5,248,910	4,596,274	3,914,891	2,818,780	4,098,779	2,833,009	3,025,981	2,892,483
4,596,274	3,914,891	2,818,780	4,098,779	2,833,009	3,025,981	2,892,483	3,305,972
652,636	*681,383*	*1,096,111*	1,279,999	*1,265,770*	192,972	*133,498*	413,489

11. Miscellaneous.—The following are exceptional payments included under this head, viz., (*e.*) in 1863-64, 339,666 *l.* on account of the construction of the Indo-European Telegraph; (*f.*) in 1868-69, 151,671 *l.* on account of the Indo-European Telegraph, and 107,831 *l.* for payments under postal arrangement with the Lords of Her Majesty's Treasury; and (*g.*) in 1870-71, 132,783 *l.* for payments under postal arrangement with the Lords of Her Majesty's Treasury, against 29,500 *l.* on that account in 1869-70, and 30,724 *l.* in 1871-72.

FURTHER Particulars regarding some of

	1871–72.	1872–73.	1873–74.	1874–75.
	£.	£.	£.	£.
8. Indian Provident Funds (to which the Officers subscribed):				
Civil	137,500	134,500	138,500	139,500
Military, Medical, and Indian Navy	520,647	526,568	534,599	552,289
Indian Service Family Pensions	- -	*354*	*1,792*	*644*
	658,147	660,714	671,307	691,145
9. Remittance transactions not included under other heads:				
Disbursements	667,236	553,246	638,540	506,367
Receipts	100,273	158,168	174,922	139,853
	566,963	395,078	463,618	366,514
10. Home Administration:				
Salaries of the Home Establishment	131,495	130,053	131,621	133,273
Auditor and assistants, under Ac 21 & 22 Vict. c. 106, s. 52.	2,734	3,603	3,855	4,146
Store Department: wages of labourers &c. (*a*)	19,110	17,239	20,287	21,259
Law Charges	2,610	2,503	2,825	2,377
Bank of England, &c., for management of debt	15,885	15,230	15,097	19,400
East India Company for expenses in respect of their capital stock and dividends.	2,840	2,840	2,840	1,766
Postage of despatches to and from India	7,908	8,333	9,463	8,433
Telegrams, mainly telegrams to India	2,197	2,721	1,902	1,777
Office contingencies	14,907	14,825	13,785	12,028
	199,686	197,347	201,675	204,459
Stationery, printing, and bookbinding	6,801	8,715	5,155	6,226
	206,487	206,062	206,830	210,685
Deduct, Receipts	531	1,004	651	1,751
	205,956	205,058	206,179	208,934
11. Miscellaneous:				
Disbursements	348,373	530,684(*c*)	368,687	350,630
Receipts	122,499	119,538	130,846	227,042
	225,874	411,146	237,841	123,588
16. & 29. Guaranteed and other Companies:				
Guaranteed and Subsidised Companies:				
Payments out of Capital	2,540,118	1,494,391	1,270,283	1,571,348
Receipts on account of Capital	3,735,723	965,769	1,327,836	789,700
	1,195,605	528,622	*57,553*	781,648
Interest	4,546,236	4,619,249	4,631,531	4,659,755
	3,350,631	5,147,871	4,573,978	5,441,403
East Indian Railway:				
Annuity, interest, &c.	- -	- -	- -	- -
Advances for purchase of stores, &c.	- -	- -	- -	- -
	3,350,631	5,147,871	4,573,978	5,441,403
17. & 31. Debt incurred or discharged:				
Debt incurred	1,390,000	- -	1,024,000	5,001,000
Premium realised	23,406	- -	13,458	69,839
Discount allowed	- -	- -	- -	- -
	1,413,406	- -	1,037,458	5,070,839
Debt discharged	5,000	- -	1,019,000	1,000
	1,408,406	- -	*18,458*	*5,069,839*
18. & 32. Balance increased or decreased:				
Balance at the commencement of year	3,305,972	2,821,091	2,998,444	2,013,638
Balance at the close of year	2,821,091	2,998,444	2,013,638	2,796,370
	484,881	177,353	*984,806*	782,732

NOTE.—Sums printed in *italics* indicate net Receipts or Balance decreased.

10. Home Administration.—(*a*). The salaries of the superior Officers of the Store Department are included among the "Salaries of the Home Establishment," the first item under this head.— *b*). The sum paid for management of debt in 1880–81 included 8,600 *l.* for expenses attending the discharge, or conversion into India 4°/₀ Stock, of 17,200,000 *l.* India 5°/₀ Stock, at the rate of 500 *l.* a million.

India Office,
1 June 1883.

the Heads in the foregoing Statement—*continued.*

1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	1882-83.
£.	£.	£.	£.	£.	£.	£.	£.
151,000	160,500	162,500	168,000	171,500	201,000	190,000	185,853
563,402	576,985	565,343	603,439	594,479	602,195	600,371	613,983
901	*938*	*223*	*293*	*284*	192	264	600
713,501	736,547	727,620	771,146	765,695	803,387	790,635	800,436
632,630	921,022	720,497	785,995	573,554	642,614	748,948	586,030
96,483	141,611	109,806	94,371	144,628	300,329	246,473	177,800
586,147	779,411	610,691	691,624	428,926	342,285	502,475	408,230
136,859	134,007	134,208	137,049	136,080	132,238	133,852	136,627
4,410	4,651	4,708	4,830	4,729	5,077	5,215	5,434
25,177	25,443	24,848	23,290	23,440	24,635	24,627	25,498
2,348	2,520	873	820	1,455	1,073	1,402	1,340
18,385	20,888	20,984	20,556	21,938	32,190 (*b*)	27,764	28,174
—	—	—	—	—	—	—	—
6,382	10,688	4,984	8,740	5,625	4,901	4,405	3,906
3,466	4,766	4,990	4,981	4,487	7,283	4,253	7,718
13,274	15,091	13,705	15,498	12,501	12,240	12,500	12,689
210,301	218,954	209,300	215,804	210,255	219,637	214,048	221,386
8,708	8,485	6,900	7,312	8,802	5,078	6,474	8,834
219,009	227,439	216,200	223,116	219,057	224,715	220,522	230,220
1,640	1,486	1,914	2,028	2,849	1,599	2,200	2,237
217,369	225,953	214,286	221,088	216,208	223,116	218,322	227,993
317,740	338,818	437,827(*d*)	354,238	355,300	411,807(*e*)	307,137	420,055(*f*)
114,992	99,035	150,905	125,851	132,648	201,329	245,291	173,809
202,748	239,783	286,922	228,437	222,652	210,478	151,846	246,246
2,897,078	2,442,933	2,590,191	1,799,344	1,279,463	978,155	1,449,445	1,406,885
1,686,903	889,695	2,277,235	873,799	821,907	230,583	596,916	1,102,237
1,210,175	1,553,238	312,956	925,545	457,556	738,572	852,529	304,648
4,655,996	4,686,751	4,685,474	4,739,259	4,752,462	3,304,487	3,319,097	3,308,146
5,866,171	6,239,989	4,998,430	5,664,804	5,210,018	4,043,059	4,171,626	3,612,794
- -	- -	- -	- -	34,397	1,337,167	1,592,298	1,564,827
- -	- -	- -	- -	27,323	522,893	475,665	453,901
5,866,171	6,239,989	4,998,430	5,664,804	5,271,738	5,903,119	6,239,589	5,631,522
1,200,000	6,100,000	4,280,000	3,726,584	1,870,000	5,037,244	1,869,347	6,250,000
6,299	116,168	59,141	17,723	23,356	171,858	- -	12,814
- -	- -	- -	- -	- -	- -	492	—
1,206,299	6,216,168	4,339,141	3,744,307	1,893,356	5,209,102	1,868,855	6,262,814
- -	500,000	- -	3,374,500	2,609,500	2,444,911	5,717,328	6,256,785
1,206,299	*5,716,168*	*4,339,141*	*369,807*	716,144	*2,764,191*	3,848,473	*6,029*
2,796,370	919,899	2,713,967	1,076,657	1,117,925	2,270,107	4,127,749	2,620,909
919,899	2,713,967	1,076,657	1,117,925	2,270,107	4,127,749	2,620,909	3,424,394
1,876,471	1,794,068	*1,637,310*	41,268	1,152,182	1,857,642	*1,506,840*	803,485

11. Miscellaneous.—The following are exceptional payments included under this head, viz.—(*c.*) in 1872-73, 163,318 *l.*, the award by the Judicial Committee of the Privy Council to the representatives of the late D. O. Dyce Sombre; (*d.*) in 1877-78, 58,327 *l.*, payments in respect of Her Majesty's Establishments in China for three years; (*e.*) in 1880-81, 75,000 *l.*, payments in respect of Her Majesty's Establishments in China for five years; and (*f.*) in 1882-83, 58,448 *l.*, for Suez Canal Dues, Passages, &c., in connection with the Expedition to Egypt.

Thos. W. Keith,
Accountant General.

RETURN.

East India
(Reduction of Expenditure).

Ordered, by The House of Commons, *to be Printed,*
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EAST INDIA (SILVER QUESTION).

RETURN to an Order of the Honourable The House of Commons, dated 15 June 1885;—*for*,

"COPY or EXTRACTS of PAPERS from HER MAJESTY'S REPRESENTATIVES and CONSULS in FOREIGN COUNTRIES having reference to the SILVER QUESTION (in continuation of Parliamentary Paper, No. 369, of Session 1879)."

India Office,
15 June 1885.

J. A. GODLEY,
Under Secretary of State.

(*Mr. Kynaston Cross.*)

Ordered, by The House of Commons, *to be Printed*,
15 *June* 1885.

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COPY or EXTRACTS of PAPERS from HER MAJESTY'S REPRESENTATIVES and CONSULS in FOREIGN COUNTRIES having reference to the SILVER QUESTION (in continuation of Parliamentary Paper, No. 369, of Session 1879).

AUSTRIA-HUNGARY.

REPORTS by Consul *Nathan* on the Trade and Commerce of Austria.

1878.

THE most interesting event in 1878 was the progressive depreciation of the value of silver, which brought this metal to par with paper currency, an event unknown in Austria for the last 20 years. But this was certainly not owing to any exertions on the part of this country; and there is reason to fear that, as soon as the price of silver rises in London, the premium on silver will again make its appearance in Austria.

IMPERIAL AND ROYAL MINT.

The specie coined in Vienna and Kremnitz in 1878 consisted of the following kind, viz.:—

A.—VIENNA.

	Pieces.	Florins.
Silver Coin—		
At 2 fl.	147,258	294,516
At 1 fl.	18,963,072	18,963,072
TOTAL	19,110,330	19,257,588
Copper Coin—		
At 1 kr.	15,892,000	158,920
Gold Coin—		
4-ducat pieces, at 19 fl. 20 kr.	23,376	448,819
1-ducat „ at 4 fl. 80 kr.	280,963	1,348,622
8-fl. pieces	125,103	1,013,334
4-fl. „	6,820	27,621
TOTAL	436,262	2,838,396
Coins for the Levant Trade—		
Levantine dollars, at 2 fl. 10 kr.	1,831,271	3,854,515
TOTAL Coinage in Vienna	37,269,863	26,109,419
Against 1877	16,519,584	19,468,353
Increase	20,750,279	6,641,066

AUSTRIA-HUNGARY.

B.—KREMNITZ.

	Pieces.	Florins.
Florins - - - - - -	5,717,374	5,717,374
1 kr. - - - - - - -	4,478,154	44,781
Gold Coin—		
At 8 fl. - - - - - -	307,755	2,492,815
At 4 fl. - - - - - -	14,838	60,094
TOTAL - - - -	10,518,121	8,315,064
Against 1877 - - -	3,039,114	4,922,703
Increase - - - -	7,479,007	3,392,361

Both mints, therefore, produced 47,787,984 pieces, of the value of 34,424,483 fl.

The FLUCTUATIONS of the PREMIUM on GOLD and SILVER.

In 1877 the premium on gold and silver was influenced by the divers phases of the Eastern Question and by the course of the Russo-Turkish war. In 1878 the political situation and the rising and falling of the price of silver in London caused the fluctuations of the price of specie.

That the political situation influences the higher or lower state of the premium is proved by looking to the respective dates and rates. In this way we find that the premium on silver varied between six and seven per cent. from the end of February 1878, until the first days of May of the same year, and that it reached its culmination on the 29th of March, on which day it was apprehended that England would be forced into a war. On this day also the premium on gold reached its maximum, *i. e.*, 22·6 per cent. But in the second half of the year 1878, after the conclusion of the Treaty of Berlin, in spite of the Bosnian occupation, the silver market in London showed a continual depression, and on the 30th of August the premium on silver in Austria had entirely disappeared, and, with very trifling exceptions, it remained the same until the 31st of December 1878.

That the political events also influenced the fluctuations of the premium on gold is made clear by the daily rates of exchange, and their average in the months of March and April, and the influence of the fall of the price of silver on the premium of gold may be judged by a comparison of the average of the monthly prices of both metals, by which it will be seen that the difference increased as soon as silver approached or reached par.

The monthly average of rates of the premium on precious metals was the following, viz.:—

	Silver.	Gold.	Difference.
January - - - - -	103·64	118·74	15·10
February - - - - -	104·88	118·60	13 72
March - - - - -	105·67	119·39	13·72
April - - - - -	106·57	122·12	15·55
May - - - - - -	105·33	121·43	16·10
June - - - - - -	102·80	117·74	14·94
July - - - - - -	100·92	115·47	14·55
August - - - - -	100·61	115·72	15·11
September - - - - -	100·08	116·53	16·45
October - - - - -	99·98	117·34	17·36
November - - - - -	100·00	116·82	16·82
December - - - - -	100·02	116·68	16·66
Year of 1878 - - -	102·54	118·05	15·51
„ 1877 - - -	109·36	123·19	13·83

This list shows that the average of the difference of the rate of premium on gold

gold and silver was, in 1878, by 1·68 per cent. higher than in 1877. Now, as the difference was at the highest during the past four months, when silver nominally was under par, it is clear that the price of silver was directed by the fluctuations of the London market, whilst the premium on gold has risen in consequence of the political horizon, which, in the last four months of 1878, seemed clouded through the Bosnian occupation.

1879.

The abundance of money in Austria must be attributed to the large import of silver. At the end of 1878 the circulation of Bank and State notes amounted to 652,000,000 fl.; at the end of 1879 only to 620,000,000 fl., showing a decrease of 32,000,000 fl. According to calculations, however, the coinage of silver amounted to 80,000,000 fl. and more, which proves that money resources had increased by about 50,000,000 fl.

1880.

The traffic of precious metals was as follows:—

	Florins.
Import of Silver:—	
1879	41,358,971
1880	6,965,217
TOTAL	48,324,188
Import of Gold:—	
1879	21,355,000
1880	21,129,900
TOTAL	42,484,900
GRAND TOTAL	90,809,088

against an export to the aggregate amount of 26,605,679 fl. This proves that the stock of precious metals increased by about 64,000,000 fl. within the last two years.

The import of precious metals fell off considerably from that of 1879; adding, however, the sums of both years, a considerable increase of the means of circulation can be noted.

	Florins.
The Import in 1879 amounted to—	
In gold	21,129,900
In silver	41,358,971
In 1880 to—	
In gold	21,355,000
In silver	6,965,217
TOTAL	90,809,088
The Export in 1879 amounted to	7,985,428
In 1880 to	18,620,251
TOTAL	26,605,679

which shows that a sum of 64,203,409 fl. in precious metals was retained in this country.

 The

AUSTRIA-HUNGARY.

The premium on gold was, for the same time, as follows :—

At the end of—	
January	17·12 per cent.
February	17·68 „
March	18·50 „
April	18·37 „
May	17·00 „
June	17·00 „
July	17·06 „
August	16·93 „
September	17·37 „
October	16·81 „
November	16·87 „
December	17·00 „

AUSTRO-HUNGARIAN BANK.

The stock of precious metals on the 31st of December 1880 amounted to 65,010,261 fl. in gold, showing an increase of 6,378,389 fl. against 1879, and in silver to 108,291,351 fl., showing an increase of 2,677,561 fl. against the preceding year, or a total increase of 9,055,950 fl. against 1879. The increase of the stock of gold was accomplished by remittances from London in gold against bills on London, that of silver by payments into the bank and by silver deposits.

Against that an amount of 11,000,000 fl. in silver was placed by the bank at the disposal of the Austrian Minister of Finances, and of 9,000,000 fl. of the Hungarian Minister of Finances. Since the 31st of August 1878 larger amounts of silver were paid into the bank, in consequence of which the increase of the stock of silver amounted to 38,213.867 fl.

On an average the stock of silver amounted to 168,559,000 fl. The bills on foreign places payable in gold amounted to 14,222,097 fl. at the end of 1880, showing a decrease of 6,381,856 fl. against the preceding year. The total amount of foreign bills negotiated in 1880 was 196,933,917 fl. The profit realised thereby and on precious metals amounted to 355,840 fl., or less by 39,789 fl. than in the preceding year.

SMELTING PRODUCTIONS.

	Quantity.	Value.	Difference.
	Kilos.	*Florins.*	*Florins.*
Gold	17	20,689	+ 814
Silver	29,534	2,631,539	— 22,815

1883.

MINING.

	Value of Production.	Per Cent.	Number of Workmen.	Per Cent.
	Florins.			
Silver Ores	3,030,297	6·78	5,623	6·58

FURNACES.

	Value of Production.	Per Cent.	Number of Workmen.	Per Cent.
	Florins.			
Silver	2,794,111	10·95	444	4·37

The

The yield of the mines and furnaces, compared with that of 1880, was as follows:—

A.—MINING.

ORES.	1881.	Against 1880.
	Met. centners.	*Met. centners.*
Gold - - - - - - - -	7,842	+ 6,562
Silver - - - - - - - -	123,835	— 1,897

The following figures represent the total mining and furnace products, viz., the quantities and values compared with 1881:—

A.—MININGS.

QUANTITIES.

ORES.	1882.	Against 1881.
	Met. centners.	*Met. centners.*
Gold - - - - - - - -	3,547	— 4,295
Silver - - - - - - - -	118,414	— 5,421

VALUES.

ORES.	1882.	Against 1881.
	Florins.	*Florins.*
Gold - - - - - - - -	16,839	+ 4,029
Silver - - - - - - - -	3,043,935	+ 13,638

The quantities and the values of the smelted ores were as follows:—

B.—FURNACES.

QUANTITIES.

ORES.	1882.	Against 1881.
	Kilos.	*Kilos.*
Gold - - - - - - - -	16,464	— 2·207
Silver - - - - - - - -	31,094·74	— 264·86

VALUES.

ORES.	1882.	Against 1881.
	Florins.	*Florins.*
Gold - - - - - - - -	21,642	— 4,404
Silver - - - - - - - -	2,770,509	— 23,602

AUSTRIA-HUNGARY.

REPORT by Consul General *Gosling* on the Trade and Commerce of *Hungary*, for the Year 1880.

COINAGE.

The quantity of metal coined at the Royal Hungarian Mint at Kremnitz in 1880 was much smaller than during the preceding year; in the former it amounted to 6,331,307 fl., as against 28,400,078 fl. in 1879. This may be attributed to the depreciation in the value of silver in the years 1878-9, in consequence of which a large amount of silver pieces were coined.

The following figures show the operations at the Mint during the last five years:—

	Florins.
1880	6,331,307
1879	28,400,078
1878	8,315,065
1877	4,922,703
1876	6,747,133
TOTAL	54,716,286

Since the establishment of the dualistic Government in 1867 the metallic currency issued by the Mint has amounted to 98,965,245 fl., of which 57,821,034 fl. were in silver. The coinage of gold pieces of 4 fl. and 8 fl. began in 1870. Between that period and 1880, of the former 414,980 pieces, equal in value to 1,678,789 fl., were coined, and of the latter 2,874,059 pieces, equal in value to 23,276,352 fl. Between the years 1868 and 1880, 967,383 Hungarian ducats (of 4 fl. 80 kr.) were coined, representing a value of 4,643,439 fl. The coinage of smaller pieces (which has now ceased) was as follows between the years 1868 and 1877:—

YEARS.	Coin.	Pieces.
	Kreutzer.	
1868-72	20	28,974,718
1873-77	10	50,052,248

REPORT by Consul *Faber* on the Trade and Commerce of *Fiume* for 1880.

IMPORTS.

	1879.	1880.
	Florins.	*Florins.*
Gold	21,100,000	21,400,000
Silver	41,400,000	7,000,000
TOTAL	62,500,000	28,400,000

EXPORTS.

	1879.	1880.
	Florins.	*Florins.*
Gold	3,100,000	3,300,000
Silver	4,900,000	15,300,000
TOTAL	8,000,000	18,600,000

The movement of gold is about the same as in 1879, but the imports of silver in 1879 have changed into exports in 1880, the balance being 45,000,000 fl. against the country. The excess of imports over the exports of the two precious metals amounted to 54,500,000 fl. in 1879, and to 9,800,000 fl. in 1880, a decrease of 44,700,000 fl.

REPORT by Mr. *Drummond* on the Foreign Commerce of Austria, for the Year 1882.

PRECIOUS METALS.

In the first half-year of 1882 a small import of gold and silver coin, as also of silver bars, took place, whereas the export of silver coin assumed large proportions, and also gold coin was exported to an unusual amount. In the second half-year the import of gold coin was moderately large; the export, however, very small, and also the silver export.

The quantities were as follows:—

IMPORTS.

	Gold Coin.	Silver Raw.	Silver Coin.
	Kilog.	*Kilog.*	*Kilog.*
First half-year of 1882 -	3,166	4,241	4,018
Second „ „ -	8,345	18,584	11,117
TOTAL - - -	11,511	22,825	15,135
In 1881 - -	13,620	126,859	63,367
	— 2,109	— 104,034	— 48,232

EXPORTS.

	Gold Coin.	Silver Coin.
	Kilog.	*Kilog.*
First half-year of 1882 - - - -	2,481	494,039
Second „ „ - - - -	502	62,839
TOTAL - - -	2,983	556,878
In 1881 - -	1,502	13,739
	+ 1,481	+ 543,139

Against the large sales of silver sent to the East Indies only a small import of silver is shown; the small surplus of the imports of gold are noticeable. Since 1873 this surplus was only in the years 1874, 1875, and 1878, smaller than

AUSTRIA-HUNGARY.

than in 1882; they were, however, very poor business years. In the past year the duties alone which had to be paid in gold absorbed more than 19,000,000 fl. The imports and exports of gold were as follows:—

	Imports.	Exports.	Surplus of Imports.
	Kilog.	*Kilog.*	*Kilog.*
1873	18,615	3,135	15,480
1874	6,971	426	6,545
1875	2,990	2,419	571
1876	15,428	4,169	11,259
1877	12,931	4,143	8,788
1878	10,101	2,300	7,801
1879	15,018	2,114	12,904
1880	15,698	2,134	13,564
1881	13,620	1,502	12,118
1882	11,511	2,983	8,528

Finally, with regard to the value of the traffic in precious metals, the imports of 1882 amounted to 20,965,070 fl. against 48,264,234 fl. exported. The surplus of the exports, therefore, amounted to 27,299,164 fl., which amount has never been reached before, with the exception of 1872, in which year the surplus of the exports amounted to 29,614,000 fl.

For gold and for silver the values of the years 1881 and 1882 are divided as follows:—

	Imports.	Exports.	Surplus.	
			Imports.	Exports.
	Million fl.	*Million fl.*	*Million fl.*	*Million fl.*
1881 Gold	19·8	2·2	17·6	—
1882 „	17·9	4·8	13·1	—
Difference „	1·9	+ 2·6	— 4·5	—
1881 Silver	16·1	1·2	+ 14·9	—
1882 „	3·1	43·4	- -	40·3
Difference „	13·0	+ 42·2	- -	55·2

The value of imports was in all, therefore, less by 14·9 million florins; the exports, however, more by 44·8 million florins than in 1881.

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REPORT by Mr. *Drummond* on the Trade of Austria for the first Nine Months of 1833, compared with the same period in 1882.

PRECIOUS METALS.

In imports there is an increase on 1882 of 1,975,529 gulden. Imports and exports of precious metals.

In 1882 there was an unusual demand for silver bars to send to the East Indies, but in 1883 only a minimum amount has left Austria, as the following Table shows :— Silver.

	Import.	Export.	Surplus.	
			Import.	Export.
	Gulden.	*Gulden.*	*Gulden.*	*Gulden.*
1881 - - - -	22,409,624	2,005,948	20,403,676	—
1882 - - - -	15,279,736	47,883,818	- - -	32,604,082
1883 - - - -	17,255,265	915,268	16,339,997	—

The import of gold coin is given at 8,128 kilog., against 9,505 kilog. in 1882. The export of gold coin has also shown a decrease, for in 1883 it only amounted to 550 kilog., whereas in 1882 it amounted to 2,742 kilog.; therefore the surplus of imports in 1882 was 6,763 kilog., and in 1883, 7,578 kilog., or an increase of 815 kilog. Gold coin.

Of the customs duties received in 1882, 11,906,052 gulden were paid in gold; in 1883, 19,938,655 gulden were thus paid. Customs duties paid in gold.

REPORT by Mr. *Drummond* on the Austro-Hungarian Foreign Trade in 1883 compared with 1882.

The movement of gold, silver, and coin is given thus :— Gold and silver imports and exports.

	1883.		1882.	
	Imports.	Exports.	Imports.	Exports.
	Austrian gulden.	*Austrian gulden.*	*Austrian gulden.*	*Austrian gulden.*
Gold bars - - - -	113,400	- - -	1,824,850	—
Gold fragments - - -	56,800	- - -	800	—
Gold coin - - - -	13,147,400	1,871,950	16,645,880	4,386,500
Silver bars - - -	5,945,100	11,000	1,996,720	17,980
Silver fragments - -	3,350	- - -	6,340	160
Silver coin - - -	667,500	16,800	1,055,290	42,031,800
TOTAL - - -	19,933,550	1,899,750	21,529,880	46,436,440

AUSTRIA-HUNGARY.

REPORT by Mr. *Drummond* on the Austrian-Hungarian Foreign Trade in First Quarter of 1884.

The value of the gold and silver imports and exports was as follows:

	1883.	1884.	Difference.
Total—			
Imports - - -	4,872,170	3,517,682	— 1,354,488
Exports - - -	217,082	6,635,548	+ 6,418,466
Divided thus:			
Gold—			
Imports - -	2,394,800	2,125,600	— 269,200
Exports - -	192,250	1,976,050	+ 1,783,800
Silver—			
Imports - -	2,477,370	392,082	— 2,085,288
Exports - -	24,132	4,658,798	+ 4,634,666

Decreased payments in gold.

A circumstance worthy of remark is the decreased payments in gold for customs duties compared with 1883; 1,326,546 fl. less, whereas the payments in silver and by bank paper were, respectively, 1,430,002 fl. and 23,774 fl. more. The exchange for payments in silver was 1½ per cent. higher than in 1883.

EXTRACT from the "Economist," of 14th February 1885.

AUSTRIA.

The mints of Austria coined the following amount of gold and silver pieces during 1884:—

	Florins.
6,112,156 silver coins (pieces at 1 and 2 fl.) worth - -	6,199,442
1,477,862 silver commercial coins (Maria Teresiar thalers)	3,110,648
709,326 gold coins (ducats and fourfold ducats) - -	7,823,368
16,619,931 small silver coins (10 kreuzers) - - -	1,038,004

The total amount of new money coined during 1884 was 18,678,374 pieces, worth 15,449,738 florins, that is $4\frac{3}{10}$ millions less than during 1883.

BELGIUM.

REPORT by Mr. *Kennedy* on the International Congress of Commerce and Industry, held at Brussels in September 1880.

BELGIUM.

Proceedings of Political Economy Section; currency.

September 9.—The currency question was discussed.

M. Berthold, after expressing regret at the absence of M. de Laveleye, entered into a long examination of a report presented by him, concurring in a paper by M. Van Edlewyck, and advocating the bi-metallic system. M. de Laveleye held that its advantages are, (1) the lessening of differences in the rate of exchange; (2) facilities to credit by easy assistance to the money market; and (3) greater weight to the securities held by bankers. He approved the idea of an international banking system to effect the issue of a double set of notes, some payable in gold and some in silver—the parallel system—though this would not be a complete settlement of the question. He considered the monetary system of Europe to be in a state of transition, which might be very disastrous. He dwelt much on the conditions of trade with America, and as bearing on it the supply of the precious metals, and on the present state of opinion in Europe, more particularly in Germany; and, without anticipating the immediate

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immediate adoption of bi-metallism, he expected that this system would soon acquire a firm position. On finishing his review of M. de Laveleye's report M. Berthold said he thought that in the late currency changes Germany had simply followed England. He considered M. Laveleye's admission, that the value of gold is less liable to depreciation than that of silver, to be a concession, and differed from his view that there is any relation between currency and discount. He contested also the advantage of any large influx of the precious metals. He thought that currency reform generally is a question which will have to be taken up; but that the solution which must shortly be found in America should be awaited

M. Van Geetruyen declared himself to be a partisan neither of mono-metallism nor of bi-metallism; he advocated a third system, that of a parallel standard, by which free choice should be left of the metal in a fixed and determined amount, payable for notes. He adverted to a pamphlet by M. Jourdain, showing how this system could be applied to the national currency of different countries.

Mr. Stephen Mason, Glasgow, said that money was an instrument for the movement of capital, a medium of exchange—an important distinction required to be observed between capital and currency or money. The latter might be either gold, silver, copper, or paper, but it was indispensable to have a standard or measure of value, and the article selected should be one subject to the least possible fluctuation. In England and Scotland, and all over the British Empire (with the exception of India), an uniform gold standard prevailed, which had been eminently successful. He maintained that a gold standard could be introduced into India without disturbing the existing currency, and that it should be immediately adopted. Mr. Mason condemned bi-metallism as a visionary dream of those who thought they could give silver a permanent relative value to gold.

M. Alphonse Allard, on the other hand, said he is a decided bi-metallist, which system favours discount operations. Twenty-five years' experience as a banker confirmed his views on the subject. The transformation of metallic standards cost milliards, without any profit. To ensure prosperity, the increase of capital should be proportionate to the development of business, but the supply of gold alone, he contended, does not suffice for commercial operations. This fact constitutes a danger. He estimated that Germany had lost 25 per cent. in realising its stock of silver; and, if the Latin monetary union should follow the example of Germany, a loss of 50 per cent. would be incurred. With regard to the adoption of mono-metallism in Germany, he pointed out, as a significant fact, that the sale of silver had been stopped in that country.

The hour for adjournment having been reached, the further discussion of the subject was put off to a subsequent meeting, if time could then be found for it to be resumed.

M. Van Geetruyen moved that the Belgian Government should appoint a commission of inquiry, with the view to carry into effect the "parallel" monetary system.

M. Frédérix moved that the Belgian Government should enter into communication with foreign Governments, in order to put an end to existing inconvenience from the scarcity of silver currency.

NETHERLANDS.

REPORT by Consul *Robinson* on the Trade and Navigation of Amsterdam during the Year 1882.

NETHERLANDS.

Currency.—In the report issued by the directors of the Netherlands Bank for the year ending the 31st March 1883, interesting observations are to be found on the present position of the currency question in Holland. The directors point out that, while their stock of silver has at any time during the whole of the business year been much more than sufficient to cover the bank's

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legal liabilities, even had the whole of the gold been withdrawn, the stock of gold has greatly fluctuated. Their silver stock varied but little—between 89 and 95 millions of florins—while the gold stock varied from 22 to 4 millions of florins at different periods. It is, therefore, clear, they point out, that while they have done their best to keep a certain stock of gold, they have done so in the interest of the nation, and not in that of the bank. But they have not been able to disguise from themselves the fact that the means which they have been obliged to use to this end are not reconcilable with other national interests, which it is especially the duty of the bank to protect. They could obtain their object only by raising the rate of interest higher than would otherwise have been necessary. This conflict of national interests has, they observe, made their task a very difficult one. They would have been very glad if the silver standard could have been preserved. But as this was rendered impossible by the action of Germany in adopting the exclusively gold standard, they have not ceased to press upon the Government to take measures for the reduction of the silver coinage to an amount which might be permitted to circulate as "billon," together with a gold standard coinage. Hitherto no serious steps have been taken in this direction, and the bank directors in their said report repeat, with redoubled emphasis, their warning not to defer such measures, as the occurrence of a crisis in the credit market might easily force the bank to extend its credits so considerably that its stock of gold would entirely disappear, in which case a depreciation in the value of the silver currency would be a serious danger.

GERMANY.

SUPPLEMENTARY REPORT by Consul *Annesley* on the Trade and Commerce of Hamburg for the Year 1878.

COIN AND BULLION.

GERMANY.

In consequence of the prominence of the silver question at the present time, the annexed tables showing the movements of the precious metals at this port during the last few years may prove of interest.

From the absence of full returns of the amount sent out of Hamburg, *viâ* Altona and Harburg, the export table is necessarily somewhat incomplete; but, as in former years, it will be remarked that nearly the whole of the shipments continue to arrive from, and be consigned to, the United Kingdom.

IMPORTS of Coin and Bullion from 1861 to 1878.

Whence Received.	Average of 1861 to 1865.	Average of 1866 to 1870.	Average of 1871 to 1875.	1873.	1874.	1875.	1876.
	£.	£.	£.	£.	£.	£.	£.
United Kingdom - - -	501,030	1,161,300	7,394,660	7,338,160	186,830	7,964,322	3,436,516
Other European Ports - -	20,730	61,650	210,310	8,300	11,000	43,720	9,541
America, North and South -	30,020	63,070	408,890	498,000	701,000	510,390	392,104
Asia, Africa, and Australia -	- - -	820	2,620	4,090	9,820	- - -	127
From and through Altona -	303,990	167,350	293,410	251,190	96,990	584,760	216,775
Interior of Germany - -	7,294,850	3,700,470	2,565,150	3,215,190	2,225,550	3,011,830	3,422,699
TOTAL - - £.	8,150,620	5,154,660	10,875,040	11,314,930	3,231,190	12,115,022	7,477,762

IMPORTS of Coin and Bullion from 1861 to 1878 —*continued.*

Whence Received.	1877.					1878.				
	Gold.	Silver.		Other Precious Metals.	TOTAL.	Gold.	Silver.		Other Precious Metals.	TOTAL.
		Coined.	Uncoined.				Coined.	Uncoined.		
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
United Kingdom - -	8,781,815	911	66,438	855	8,850,019	4,435,133	31,059	1,512,404	3,400	5,981,996
Other European Ports -	907	693	103	1,004	2,707	457	591	22,675	667	24,390
America, North and South	10,436	11,946	74,817	9,031	106,230	20,765	16,829	15,515	22,401	75,510
Asia, Africa, and Australia	—	—	—	—	—	—	—	—	—	—
From and through Altona	102,403	2,167	20,345	- -	124,975	57,542	-	-	-	57,542
Interior of Germany -	304,716	103,815	4,750,237	6,583,594	11,742,362	118,331	610	2,352,076	3,008,479	5,479,496
TOTAL - - £.	9,200,337	119,532	4,911,040	6,594,484	20,826,293	4,632,228	49,089	3,902,670	3,034,947	11,618,934

EXPORTS of Coin and Bullion by Sea and Land, 1874 to 1878.

Destination.	1874.			1875.			1876.			
	Gold.	Silver.	TOTAL.	Gold.	Silver.	TOTAL.	Gold.	Silver.	Other Bullion by Post.	TOTAL.
	£.	£.	£.	£.	£.	£.	£	£.	£.	£.
Great Britain - -	96,710	2,380,560	2,477,270	263,690	1,276,500	1,540,190	657,284	6,080,009	17,383	6,754,756
Other Countries by Sea	46,970	228,240	275,210	2,850	28,660	31,510	11,556	218,024	-	229,580
Interior of Germany -	278,415	1,640,240	1,918,655	557,750	3,201,560	3,759,310	1,028,049	1,395,369	2,467,012	4,890,370
TOTAL - - £.	422,095	4,249,040	4,671,135	824,290	4,506,720	5,331,010	1,696,889	7,693,432	2,484,395	11,874,716

Destination.	1877.					1878.				
	Gold.	Silver.		Other Precious Metals.	TOTAL.	Gold.	Silver.		Other Precious Metals.	TOTAL.
		Coined	Uncoined.				Coined	Uncoined.		
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Great Britain - -	417,685	12,266	13,667,241	-	14,097,192	678,768	7,487	3,788,572	-	4,474,827
Other Countries by Sea -	22,364	542	1,478	591	24,975	9,557	788	246	1,872	12,463
Interior of Germany -	7,999,064	1,675	452,266	2,659,015	11,112,020	2,976,896	394	2,501,577	2,181,724	7,660,591
TOTAL - - £.	8,439,113	14,483	14,120,985	2,659,606	25,234,187	3,665,221	8,669	6,290,395	2,183,596	12,147,881

GERMANY.

REPORT by Consul-General *Crowe* on the Finances of the German Empire for the Year ended 31st March 1880, and the Year ending 31st March 1881.

Another item in the Treasury estimate, which tells of well-directed Imperial enterprise, is that of 4,500,000 marks for the St. Gothard Railway and Tunnel. Yet another suggesting remark is the charge of 200,000 marks for the expenses of the Mint. At an early period of the year 1879 the German Government was supposed to have planned the introduction of a mixed gold and silver standard currency. Questions were asked in Parliament, and it appeared that the Treasury had, indeed, taken some very decisive measures, but that it had done so with a view to avert loss to the Exchequer rather than with the intention of altering the currency. The law of 9th July 1873 makes gold the basis of the German monetary system, yet it accepts thalers as legal tender so long as they shall remain in circulation. In course of time thalers were duly called in, but, before the operation had been nearly completed, the Government found itself in possession of large balances in silver, with silver at a very low price in the market. Prince Bismarck arrested the action of the mint law of 1873 in May of 1879, when he forbade the further sale of silver bars on Imperial account, rescinded the order to call in the thalers, and prevented their being further melted. It has since been stated that most of the thalers which came in before the rescinding order were re-issued by the bank and are now in circulation. The Treasury acknowledged a gain on the minting of silver of 54,500,000 marks, as against a loss on the sale of bar silver of 96,500,000 marks. A Bill was presented in April of the present year to the Reichstag altering the mint law, and authorising the issue of small silver change to the amount of 12 marks instead of 10 marks per head of the population. The Reichstag was counted out during the debate on this Bill, and it was lost. But since then thalers have remained undisturbed in circulation, and, as they are said to amount to 4,000,000 or 5,000,000, and thalers are still legal tender as if they were gold, carping spirits have been found willing to twit the Government with keeping, *de facto*, the double standard.

REPORT by Consul *Oppenheimer* on the Trade and Commerce of Frankfort for the Year 1880.

It may not be out of place here to state that the only German commercial institution of any importance that has been visited by heavy catastrophe in the past year owes its losses to its New York branch. The firm in question is the German Trading Society (Deutsche Handels-Gesellschaft), which has extensive connections in South Germany, and afforded not inconsiderable facilities and advantages to the mercantile classes. The losses of this institution, the capital of which amounted to 15,000,000 marks (750,000 *l.* paid up), with a reserve fund of 2,000,000 marks (100,000 *l.*), are about 7,000,000 marks (350,000 *l.*), brought about by its New York branch, through operations in second-hand rails, which were exported by it in large quantities from Germany to America.

The first depressing influence on the Stock Exchange was the result of the complication of the Eastern question. Firm, however, as was our faith in peace, this circumstance would have had no influence had not other important factors been added. The great failure of the crops in almost all European countries, but more especially in France, had to be covered by vast importations from America; and American bonds having been already exhausted in Europe by former purchases, this importation had to be covered chiefly by gold.

Here already the mistake was apparent which the Reichsbank had made in reducing the value of money to an abnormal rate in its zeal to compete with private discounters; but much more important in its disadvantageous results was the suspension of the sale of silver coins in consequence of the bi-metallic agitation.

Whilst in reality the crops in Germany had been more favourable than in any other great country of the Continent, the unusual circumstance took place that, notwithstanding, Germany was most sensibly affected in its financial condition,

condition, the rate of discount there being raised to more than double the height of that anywhere else.

This is explained by the fact that the greater portion of bullion contained in our banks consisted of silver, which could not supply the place of the gold to be exported.

The bank now resorted to rapid and considerable raising of discount; as it, however, at the same time, though only in the case of some shipping ports, directed applicants for gold to its centre in Berlin, it gave rise to unfavourable rumours regarding its readiness to pay in gold, rumours that found ample support in newspaper polemics on the part of the bi-metallists.

The rise in discount, which pressed heavily on the mercantile classes, partly missed its aim by the distrust excited abroad; through the above circumstances, and the constant difference between the rate of interest in Germany and that of other countries, instead of attracting foreign capital to our Reichsbank, it could not prevent large sums from being withdrawn.

It was only by degrees, when a large reimbursement had satisfied America, that the normal condition returned, the experience thus won having greatly increased the number of advocates for gold currency, to which party the more enlightened circles have long belonged. Notwithstanding, therefore, the fact that the German Government has declared its willingness, and has been represented at a congress, to discuss the bi-metallic question, it is still believed, and has since been confirmed, that no change in German gold currency is likely to take place.

Her Majesty's Chargé d'Affaires at Dresden to the Secretary of State for Foreign Affairs.

My Lord, Dresden, 1 November 1882.

HERR VON NOSTITZ, who has taken the business of the Foreign Office during the absence of General von Fabrice, observed to me a few days ago that there had been a "tendentious" attempt to describe the Cologne Bi-metallist Congress as a failure, but that it was really a great success for the disciples of M. Cernuschi that they should have been able to get together an assemblage of the sort to discuss so abstract and difficult a subject as the currency. His Excellency added, that he himself, as I knew, had been gradually coming over to bi-metallism, and that his colleague of the Finance Department was of opinion that some kind of conventional double-standard would be the proper remedy for the troubles of the circulation, which were undeniable, and were on the increase. "But," said Herr von Nostitz, "we do not see how any such international rehabilitation of silver can be successful without the concurrence of England."

I have, &c.
G. Strachey.

ITALY.

MEMORANDUM by Mr. *Fraser* on the Foreign Trade of Italy, for the first Nine Months of 1882.

IN the amount of silver coin brought into the country there is a considerable increase. Hardly any exportation has taken place in either.

IMPORTATIONS.

	1882.	1881.	Difference.
	Fr.	*Fr.*	*Fr.*
Gold coin - - - -	26,945,200	55,397,240	— 28,452,040
Silver coin - - -	37,431,200	113,305	+ 37,317,895

ITALY.

EXPORTATIONS.

	1882.	1881.	Difference.
	Fr.	*Fr.*	*Fr.*
Gold coin - - - -	613,800	19,562,380	— 18,948,580
Silver coin - - -	2,781,400	7,687,110	— 4,905,710

REPORT by Mr. *Beauclerk* on the Agricultural Condition of the Kingdom of Italy.

1881.

New silver coin.

It was decided that the new silver (alloyed) coinage should, in the first instance, be applied to the payment of Government salaries and pensions, in the ratio of 3 per cent., and then to the payment of 5 per Cent. Consolidated Bonds to bearer, in the ratio of 20 per cent.; no payment, however, to exceed 50 lire.

Up to the 10th November 1,694,000 lire had been paid in this manner.

Government thought it advisable to proceed with great caution in the issue of small silver coins, which should be an integral part of the complete operation of the abolition of the forced currency.

It was found that the coins issued rapidly disappeared, to be employed in trading on the Barbary coasts, where they were taken at their full nominal value. Large quantities were also bought for the payment of import duties, which has to be made in coin.

On the day when the metallic currency takes the place of the "consorzio" paper, and only Government bank-notes of 5 lire and 10 lire remain in circulation, the import duties will be payable in gold and in such bank notes, but the small silver will not be received for payment of more than 100 lire. Now, however, any amount of small silver is accepted in payment of customs dues, and, consequently, it is bought up in large quantities with depreciated paper money, and used, instead of sterling gold and silver, for a purpose to which it was not destined.

The question of the silver coinage is further complicated by the depreciation of silver, and by the fact of the Monetary Congress at Paris on the 8th July having adjourned without coming to any decision.

The Italian Government has taken every precaution in its power to prevent improper and fraudulent speculations for withdrawing the small silver which has already been put in circulation from the country. It was discovered that, especially at Brindisi, a considerable quantity of Greek copper coinage, which is not accepted in Italian Government offices, had been brought in for the purchase of the new silver, on which a profit of 10 per cent. could be made in Greece. Orders were given that the Greek copper money should not be accepted for any kind of payments, and the requisite notifications were made to the Greek Government on the subject, as well as to the financial offices along the Adriatic coast and to the custom-houses.

The manner in which the Government procured the silver coinage required was as follows: By the Monetary Convention of the 5th November 1878, the Contracting States agreed to withdraw from circulation and to cease to accept in

in their public chests the Italian silver coins, with the view of facilitating the extinction of Italian bank notes of less value than 5 lire; and it was stipulated that, by the 31st December 1879, all the Italian silver should be withdrawn from those countries and consigned to the French Government, which undertook to receive the whole of it for subsequent transmission to the Italian Government. It was computed that there were 100,000,000 lire worth of such coins in circulation, viz., 87,000,000 in France, and 13,000,000 in Belgium, Greece, and Switzerland. The payment of this amount to be made by the Italian Government at Paris, in gold, in silver 5-franc pieces, in bills on Paris, or in Treasury Bonds payable in Paris.

An account of the silver thus withdrawn and remaining to be withdrawn from the French Government is given, from which it is seen that 78,850,000 lire of small silver has been withdrawn from circulation in France, Belgium, and Switzerland, whilst the Italian Government has paid on account for it the sum of 62,566,666 lire, of which a considerable portion was derived from the new loan for the abolition of the forced currency. Had not the redemption been effected by means of a part of the new loan itself, it would have been necessary to have recourse to a special loan of about 79,000,000 lire in order to procure the requisite amount of small silver.

Now, the circulation of notes of ½, 1, and 2 lire was fixed by Ministerial Decree, on the 30th June 1879, at—

	Lire.
Notes of ½ lire - - - - - - - -	12,000,000
„ 1 „ - - - - - - - -	39,000,000
„ 2 „ - - - - - - - -	64,000,000
TOTAL - - -	115,000,000

whilst, on the 31st March 1882, there were in circulation 2,680,763 lire in silver coinage, replacing notes withdrawn, besides "consorzio" notes, making a total amount of 116,078,833 lire, *i.e.*, a larger sum than was authorised in 1879.

Yet, owing to the usage made of silver for the payment of customs duties, &c., as above related, a deficiency of 1,035,567 lire was reported in the silver currency in April of the present year; and it was found impossible to provide any remedy for this deficiency, on account of the engagements made at the Monetary Congress, other than to supply the want which is beginning to be felt by the copper coinage, which amounts to 76,000,000 lire, or about 2 lire 75 c. per head of the population.

* * * * * * *

The loan of 644,000,000 (25,760,000 *l.*) was made entire at a fixed price "à forfait" by the National Bank, in the names of the above-mentioned houses, the Italian company furnishing 244,000,000 lire, and the English and French capitalists 200,000,000 lire each.

Of the total amount 444,000,000 lire were to be advanced in gold, and 200,000,000 lire in silver, so that 44,000,000 lire are obtained in gold beyond the quantity fixed by the Bill, which enacted that only 400,000,000 lire were to be procured in that metal.

The gold was either in bullion or in coinage, whether decimal or otherwise, so as not to disturb the money market overmuch. It will be recoined as Italian decimal gold pieces, bearing the effigy of the King and the year of its issue.

The standard of the Bank of France was taken for the valuation alike of the bullion and of the coin received.

Already 53,911,074 lire in gold has been struck by the Roman Mint, and is carefully guarded in the Treasury.

ITALY.

1883.

Gold coin was brought into Italy in 1883 to the value of 38,973,200 fr., in contrast to a sum of 62,158,100 fr. imported in 1882, giving a diminution of 23,184,900 fr.; and silver coin to the value of 50,707,000 fr. against 54,408,200 fr., or less than in 1882 by 3,701,200 fr. In silver coin the difference between the two returns is not so great as it is in regard to gold coin, but still it is enough to add a considerable sum to the total diminution ascribed to the value of importations of this category. It should also be remarked that a good deal of gold coin has also been exported, viz., 8,193,300 fr., against 970,300 fr. in 1882, or more than in that year by 7,223,000 fr. Indeed, the whole amount set down as the total gain upon exportations of minerals and metals is more than covered by the results of traffic in bullion; for, in addition to the 7,000,000 fr. arising from exportations of gold coin, there is an increase of nearly 4,000,000 fr. in exported silver in bars, &c., and of nearly 1,000,000 fr. in silver coin. The figures are as follows: silver in bars, &c., 6,123,130 fr., against 2,211,030 fr. in 1882, or a gain of 3,912,100 fr.; and silver coin, 3,822,800 fr., against 2,893,400 fr., or a gain of 929,400 fr.

LETTER from Consul-General *Colnaghi* to Earl *Granville*; dated Florence, 31st January 1883.

TOWARDS the end of 1881 an interesting volume was issued by the Ministry of Agriculture, Industry, and Commerce at Rome, containing statistics of the mining industry of Italy from 1860 to 1879, drawn up by the engineers of the Royal Italian Corps of Mines.

From this volume I have taken the Tables which I have now the honour to enclose.

Table I. gives a summary of the average annual production of the Italian mines between 1875-79.

* * * * * * * *

Table IV. gives the total value in Italian lire of the products obtained from the Italian mines between 1860 and 1879.

EXTRACT from Table I., giving a SUMMARY of the Annual Average Production of the ITALIAN MINES between the Years 1875-79.

PRODUCTS.	Average Annual Quantity.	Value per Ton.	Total Value.	Number of Hands.	Hands where Employed.	OBSERVATIONS.
	Tons.	*Lire.*	*Lire.*			
SILVER:						
15. *Silver Ores*, in a great part reduced in Italy with other ores of argentiferous lead.	750	- -	- - -	661	Mines -	15. *Silver Ores* are found in the mines of Monte Narba, Correboi, Perda Solin, and other smaller mines in Sardinia. They contain native silver, as well as chlorid and sulphuret of silver, of the value of 12,000 lire per ton. Some ores, formerly exported, are now treated at Cogoleto, in Liguria.
	Kilog.					
16. *Silver*, obtained from Italian foundries - - -	15,000	190	2,850,000	422	Works -	16. *Silver.*—The foundries in which the ores are reduced are those of Cogoleto and Pertusola, in Liguria, and Bottino, in Tuscany. This last foundry produces about 500 kilogs. per annum, while the two first, being supplied in 1880 with particularly rich Sardinian ore, have been producing of late as much as 24,000 kilogs., of the total value of 4,000,000 lire.
	Tons.					
17. *Lead, in Cakes, and Litharge* (oxyd), obtained from Italian foundries.	10,000	400	4,000,000			17. *Lead, in Cakes, and Litharge.*—There are lead foundries at Fortanamare, in Sardinia, and on the Continent, at Pertusola, Cogoleto, and Bottino, provided, as above mentioned, with the proper machinery for extracting the silver. For some years after 1858 a considerable quantity of ancient lead scoria were treated at Domusnovas and Villacidro, in Sardinia; an example followed at the mines of Laurium, in Attica.
18 *Silver, manufactured in Ornaments.* Church vessels and various articles of plate and jewellery.	*See* Note 18	- -	- -	- -	- -	18. *Silver, manufactured in Ornaments.*—This manufacture forms an extensive branch of industry, especially in the principal Italian cities, and gives rise to a certain amount of exportation; but precise statistics on the subject are not at present attainable.

EXTRACT from Table I., giving a Summary of the Annual Average Production of the Italian Mines between the Years 1875–79—*continued.*

PRODUCTS.	Average Annual Quantity.	Value per Ton.	Total Value.	Number of Hands.	Hands where Employed.	OBSERVATIONS.
GOLD:	*Kilog.*	*Lire.*	*Lire.*			
19. *Gold Ore*, extracted by amalgamation from auriferous pyrites.	100	3,300	330,000	427	Mines	19. *Gold* obtained almost entirely from the veins of auriferous pyrites existing in the Valle Anzasar and the neighbouring valleys at the foot of Monte Rosa. The ore is treated in works erected in the localities where it is found. In addition to several small undertakings, there are two English companies which have re-opened several mines, and are working with modern machinery and appliances. A little gold was formerly extracted from the veins of auriferous quartz, existing in the Val Corsente in the Apennines, as well as from the washings of the sands of the Rivers Orco, Stura, &c., but the yield has almost entirely ceased.
20. *Gold manufactured in Ornaments.* Church vessels, plate and jewellery.	*See* Note 20	- -	- -	- -	- -	20. *Gold in manufactured Articles.*—Same observations as for silver in manufactured articles (Note 18).
21. *Mercury*, obtained by distillation of the cinnibar, and chiefly exported. The price of mercury between 1875–79 varied from 4 to 7·50 lire per kilog., the average being 6 lire. The average price in 1881 was 4·50 lire.	*Kilog.* 109,000	6	654,000	330	Mines and works.	21. *Mercury.*—At Vallalta, in the district of Agordo (Belluno), there is a pyritic formation containing cinnibar, but not yielding on an average more than ½ per cent. Several mines, however, that were being prospected in the neighbourhood of S. Fiora, at the foot of Monte Amiata, especially the Siele Mine, have proved of value. The cinnibar is found in veins and masses traversing the limestones and argillaceous schists of the eocene formation. The ore is treated on the spot. Of the miners employed, 300 work in the mines, and 30 at the works annexed.

EXTRACT from Table IV., showing the Value of the Mining Products obtained in *Italy* in Lire between 1860 and 1879.

———	1860.	1861.	1862.	1863.	1864.	1865.	1866.	1867.	1868.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.	1878.	1879.
Ores of—	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*	*Lire.*
Gold - -	251,910	211,503	218,428	135,139	235,649	205,792	399,765	399,765	399,765	399,765	399,765	375,482	328,557	134,536	39,157	144,277	213,539	257,590	322,080	416,524
Silver - -	–	–	–	–	–	–	–	–	–	–	–	50,889	50,889	312,552	774,486	905,432	633,232	971,756	1,359,571	1,595,608

LATIN UNION.

(No. 5—Commercial.)

Her Majesty's Minister at Berne to the Secretary of State for Foreign Affairs.

My Lord, Berne, 19 January 1884.

YOUR Lordship's Despatch (No. 3, Commercial), of the 15th instant, reached me this morning.

I had occasion to call upon President Welti later, and in the course of our conversation I incidentally asked his Excellency whether there was any truth in a rumour that the Monetary Convention, known as the Latin Union, was likely soon to come to an end.

The President answered without hesitation that he believed this to be a mere newspaper rumour, but that at all events the Swiss Government had no information of the sort at all, and had no intention of putting an end to the Convention.

I have, &c.
F. O. Adams.

(Commercial—No. 13.)

Her Majesty's Minister at Brussels to the Secretary of State for Foreign Affairs.

My Lord, Brussels, 19 January 1884.

WITH a view to carrying out the instructions contained in your Lordship's Despatch (No. 7, Commercial) of the 15th instant, I yesterday spoke to M. Frère Oban on the subject of the probable termination of the Monetary Convention known as the Latin Union, and said that (without making any official inquiry) I should be glad to know what were the views of the Belgian Government on the subject, and how far it was likely that the Union would continue. M. Frère Oban replied, that the subject had not recently come before him in any way, and that he could not call to mind the exact date of the expiration of the Convention. With regard to the views of the Belgian Government, his Excellency said that in any further negotiations on the subject which might arise, he should continue to oppose the bi-metallic standard as heretofore. With regard to the probable continuance of the Convention, his Excellency thought that when the present Convention expired, it would be prolonged for a further period without alteration.

I have, &c.
E. B. Malet.

(No. 10—Commercial.)

Her Majesty's Ambassador Extraordinary at Rome to the Secretary of State for Foreign Affairs.

My Lord, Rome, 14 February 1884.

WITH reference to my Despatch, No. 7 of this series, of the 30th ultimo, I have the honour to inform your Lordship that the Monetary Commission met on the 6th instant, under the Presidency of Signor Minghetti.

After a general discussion, the President was requested to appoint a sub-

LATIN UNION.

committee for the purpose of drawing up the questions to be examined in the future meetings of the Committee.

The Committee is composed of 20 members, including, besides M. Minghetti, M. Berti, the Minister of Commerce and Agriculture, and M. Magliani, of Finance; MM. Elena, Director of Customs; Rodi, Director of the Treasury; Ferraris, Director of the Department of Commerce and Agriculture; Mirone, Inspector General of the same Department; Romanelli, Secretary of the Council of State; Grillo, Director of the National Bank; Professors Luzzati and Mipedaglia; Lampertico, Senator; and seven deputies who have occupied themselves with financial questions.

The choice of these names testifies to the importance attached to this Commission. Having had some conversation with M. Malvano on this subject, he has been good enough to send me a note showing the actual position of the monetary question in Italy, copy of which I have the honour to enclose. In the course of a debate which took place on the 11th of May last year, M. Magliani, the Minister of Finance, in reply to various questions put to him by M. Minghetti, resumed the position of Italy with regard to the Monetary Convention in the following terms:—

"Italy is engaged by the International Monetary Convention to the other "States of the Latin Union till the end of 1885. It would be impossible at "present to introduce any reform in the monetary system of Italy, and, were it "possible, it would be inopportune to make it. An attempt will be made to come "to a fresh understanding with the other States of the Latin Union; but in "any case a law will be necessary, whether the question be to sanction new "international arrangements or to establish the monetary *régime* of the State "on fresh bases.

"But it is not advisable to prejudge the question too long beforehand, and "fresh studies may prepare a happier solution before the conclusion of the "actual Convention. The apprehensions that have been expressed with regard "to the possible invasion of depreciated silver replacing gold in the circulation "of the country are legitimate; the legal course of foreign five-franc pieces, "'*inter privatos*,' does not, however, depend on the Latin Monetary Convention, "but on the Government and the legislation of the country. It is, therefore, "revocable, and may be suppressed; but, in the opinion of M. Magliani, such a "course would not be advisable, since commerce would suffer severely from it, "as well as the Treasury, which would be overwhelmed with silver coinage, "which in virtue of the existing Convention it is compelled to accept, and "which it could not employ either for payments in the interior, where these "coins would no longer have a legal course, nor for the service of the Public "Debt abroad, since payments in silver would weaken the credit of the "country.

"We should, therefore," said M. Magliani, "be taking precisely the contrary "course to that which the Government proposes, namely, to have the largest "possible proportion of its metallic reserve in gold.

"The principle is, no doubt, correct, but the moment of its application should "be chosen with the utmost prudence. There would always be time enough to "stop the circulation of foreign coins if it were seen to become the object of "speculation. Some preparation is still required before the change in the "monetary system can be effected; at present there is no danger to be appre-"hended, and, for the future, Government will be watchful and act betimes."

I have, &c.
J. Savile Lumley.

NOTES sur l'état actuel de la Question Monétaire en Italie (Janvier 1884).

Frappé des dangers que pouvait présenter l'abolition du Cours forcé, si elle ne coïncidait pas avec un règlement satisfaisant de la question monétaire, M. Minghetti, dans la séance de la Chambre, du 28 Février 1881, avait proposé d'insérer dans la loi un article, qui, après quelques observations de la part du Gouvernement,

Gouvernement, fut transformé, sur la demande de M. Magliani, dans l'ordre du jour suivant, adopté à l'unanimité :—

" La Chambre, ouï les déclarations du Ministre;

" Qu'il ne peut être obligatoire pour les particuliers de recevoir en paiement des monnaies d'argent frappées hors de l'Etat;

" Que, si la Conférence Monétaire n'aboutit pas à une nouvelle Convention " remplaçant celle de 1878, le Ministère présentera, en temps utile, un projet " de loi établissant le nouveau régime monétaire qui devra entrer en vigueur en " Italie, à l'expiration de la durée de la Convention existante;

" Que, quelles que soient les dispositions prises dans cette loi, les caisses pub- " liques, à partir du 1er Janvier 1886, n'accepteront plus d'autres monnaies " d'argent que celles frappées dans le royaume;

" Passe à l'ordre du jour."

Cet ordre du jour contenait dans son premier point, une erreur de fait, qui, plus tard, fut reconnue de bonne grâce.* L'acceptation des pièces d'argent de cinque francs par les particuliers n'est pas obligatoire d'après la Convention Monétaire qui vise uniquement, à ce sujet, les caisses publiques, mais elle l'est, en Italie, d'après de précédents décrets ayant force de lois, décrets qu'un simple décret royal, d'après la loi monétaire fondamentale du 28 Août 1862, suffirait à abroger.

Quoi qu'il en soit, le 11 Mai 1883, au cours de la séance de la Chambre, M. Minghetti, bien que constatant l'heureux acheminement de la grande operation financière qui devait conduire à l'abolition du Cours forcé, se préoccupant maintenant d'un excès de circulation, éventuel, des monnaies d'argent au detriment de la circulation de l'or, adressait à M. Magliani, ministre des finances, les demandes suivantes :—

" Le Gouvernement avait-il quelque espoir dans une nouvelle convention de " la Conférence Monétaire, qui, réunie une première fois en 1881, s'etait après " de courtes discussions et sans parvenir à une entente, prorogée pour un " an et n'avait plus, depuis, repris ses travaux? S'il avait cet espoir, quel en " était le fondement? S'il ne l'avait pas, pensait-il laisser la Convention " Monétaire se prolonger au-delà du terme fixé, ou bien comptait-il la dénoncer, " à la fin de 1884, pour qu'elle prît fin l'année suivante?"

Rappelant ensuite l'ordre du jour cité plus haut, M. Minghetti insistait sur le danger que la *loi dite de Gresham*, d'après laquelle la bonne monnaie est chassée du marché par la mauvaise, trouvât en Italie une nouvelle confirmation de fait, et demandait encore :

" Si le Ministre des Finances comptait laisser aux pièces de cinque francs " étrangères le cours légal parmi les particuliers, ou bien le leur retirer par " décret royal, ainsi que la loi de 1862 permettait de le faire? Quels autres " moyens, à défaut de celui-là, il comptait employer pour empêcher une " affluence trop considérable de monnaies d'argent de l'etranger? S'il pensait " à presenter, en temps utile pour éviter toute perturbation, un projet de loi " établissant le régime monétaire qui entrerait en vigueur à l'expiration de la " Convention existante? Et si, enfin, conformément aux termes de l'ordre du " jour cité, quelles que fussent les dispositions prises dans la nouvelle loi, les " caisses publiques refuseraient, à partir du 1er Janvier 1886, les monnaies " d'argent frappées hors de l'Etat?"†

M. Magliani, à ces différentes questions, répondit comme il suit :—

" L'Italie est engagée, par la Convention Monétaire Internationale, avec les " autres Etats de l'Union latine jusqu'à la fin de 1885. Il serait impossible " d'introduire, pour le moment, aucune réforme dans le système monétaire " italien. Le pourrait-on, qu'il serait inopportun de le faire. On tâchera d'en " venir à une nouvelle entente, avec les autres Etats de l'Union latine. De " toute façon une loi sera nécessaire qu'il s'agisse de sanctionner de nouveaux " accords internationaux ou d'établir sur d'autres bases le régime monétaire de " l'Etat.

* Atti parlamentari, Camera dei Deputati, *Discussioni:* Legisl. xv, 1ª Sessione, loinata dell' 11 Maggio, 1883, p. 3032 ; id. id. *Documenti* id. id. *Seconda Relazione della Commissione permanente, istituita con la legge 7 Aprile* 1881, *sui providimenti per l'abolizione del Corso forjoso presentata del Ministro Magliani il* 1° *Décembre* 1883, pag. 32 et suiv., p. 89 et suiv.

† Atti parlamentari, Camera dei Deputati, Legislatura xv, 1ª Sessione: *Discussioni* tomata di venerdi, 11 Maggio 1883, pag. 3031–3035.

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" l'Etat. Mais on ne saurait préjuger la question trop long temps à l'avance. " De nouvelles études pourront en préparer une plus heureuse solution, avant " le terme de la Convention actuelle."

M. Magliani poursuivait :—

" Les appréhensions de M. Minghetti sur l'invasion de la monnaie dépréciée, " l'argent, se substituant à l'or dans la circulation, sont légitimes. Le cours " légal de pièces de cinque francs étrangères *inter privatos* derivant, toutefois, non " pas de la Convention monétaire latine, mais des actes du Gouvernement et de " la Législation intérieure de l'Etat, qui sont de leur nature révocables, rien n'em- " pêcherait de l'abolir. Mais convient-il de prendre, dans les circonstances " présentes, une semblable mesure ? M. Magliani ne le croyait pas. Le com- " merce en souffrirait gravement, de même que le trésor, dont les caisses seraient " encombrées de monnaies d'argent, puisque, en vertu de la Convention existante, " il est forcé de les accepter, et qu'il ne pourrait en faire usage, ni pour ses " paiements à l'intérieur, où ces monnaies n'auraient plus cours légal, ni pour " le service de la Dette public à l'étranger, car les paiements en argent affai- " bliraient notre crédit. On irait donc a l'encontre du but que le Gouvernement " se propose, qui est celui d'avoir la plus grande partie possible de sa réserve " métallique en or. Le principe est juste, mais le moment de son application " doit être choisi avec une prudence extrême. On serait toujours à temps de " mettre fin a la circulation des monnaies d'argent étrangères si l'on s'aper- " cevait que la speculation se livre à l'*arbitrage;* c'est-á-dire, entreprend la " substitution de la monnaie dépréciée à la monnaie plus rare. Une mesure " prise dès à présent dans le sens indiqué par l'ordre du jour cité pourrait, " par la force des choses, nous entraîner à un changement prématuré de notre " systeme monétaire, tandis qu'une préparation est encore nécessaire. Pour " maintenant, il n'y a nul péril dans la demeure. Quant à l'avenir, le Gouverne- " ment veillera, pour aviser à temps. De toute façon, à l'expiration de la " Convention Monétaire, c'est-à-dire, à la fin de 1885, l'ordre du jour du " 28 Février 1881 sera appliqué dans toute son extension, s'il ne l'aura pas " déjà été en précédence. Pour le moment, il convient de surseoir."

Les questions qui préoccupaient M. Minghetti, notamment celle du retrait de la circulation de l'argent monnayé étranger, ont été aussi l'objet de considérations spéciales de la part de la Commission permanente instituée par l'art. 24 de la loi du 7 Avril 1881. On en a la preuve dans la seconde Relation sur les mesures pour l'abolition du Cours forcé, présenté à la Chambre par M. Magliani le 1er Décembre 1883 (pages 32, et 89 et suivantes). Elle n'eut cependant pas à délibérer sur ce sujet, et les pages qu'elle lui a consacrées dans la Relation qu'on vient de citer, ne sont guère qu'une exposé de la question, depuis qu'elle a été posée, jusqu'au point ou les discussions parlementaires, résumées plus haut, l'ont laissée.

Le dernier pas que la question ait fait en avant est l'institution d'une *Commission chargée d'étudier les mesures que les conditions monétaires générales et le prochain terme de la convention monétaire internationale rendront nécessaires ou opportunes dans le régime monétaire italien, soit par acte de legislation intérieure, soit par de nouveaux accords avec d'autres Etats.** Cette Commission, dont le rapport doit être présenté dans l'espace de six mois, est instituée par décret royal du 12 Novembre 1883, antérieur, par conséquent, de quelques jours à la présentation, sinon à la rédaction, de la Relation mentionnée. Les Ministres du Trésor et du Commerce doivent lui communiquer les résultats des études faites jusqu'à ce jour par l'Administration, ainsi qu'un rapport sommaire des principales questions (Art. 2). Ce rapport, qui est en voie de compilation, sera presenté à la Commission à l'occasion de l'inauguration de ses travaux, qui aura lieu le 6 février. Mais ce rapport ou *Pro Memoria*, rédigé au point de vue exclusif de servir de point de départ pour les études de la Commission, et qui n'a, par conséquent, que le caractère et l'importance d'un exposé provisoire et confidentiel, ne sera probablement pas livré à la publicité.

* Gazzetta ufficiale del Regno d'Italia, anno 1883, 20 Novembre, No. 272.

(No. 18—Commercial.)

Her Majesty's Minister at *Berne* to the Secretary of State for Foreign Affairs.

My Lord, Berne, 10 March 1884.

IN my Commercial Despatch, No. 5, of the 19th January, I reported to your Lordship that President Welti informed me that the Swiss Government had no information respecting the rumour that the Monetary Convention, known as the Latin Union, was likely soon to come to an end.

Having seen in a French newspaper that in the Chamber of Deputies M. Tirard had informed Baron de Soubeyran that a preliminary exchange of views had been set on foot, with a view to revise the Monetary Convention, I asked the Federal Councillor Ruchonnet, during an interview which I had with him on the 8th instant, what was the state of the case.

He answered, that nothing had been settled yet; that the Swiss Government would, perhaps, reluctantly agree to the revision of the Convention, and he believed that a Conference of the countries interested would take place before the end of the year; more than this he could not tell me.

I have, &c.
F. O. Adams.

(No. 38—Commercial.)

Her Majesty's Minister at *Berne* to the Secretary of State for Foreign Affairs.

My Lord, 11 June 1884.

THE "Feuille du Commerce" of the 10th instant contains an announcement, of which the following is a translation:—

"The Latin Monetary Convention has just been denounced by Switzerland. "As a condition of its revival, Switzerland claims an increase of the conven- "tional amount of the coinage of silver money now fixed at six francs per head "of the population: a proportion which is not sufficient for Switzerland."

I observed to President Welti this morning that this paragraph was in contradiction with what he had told me, as reported in my Commercial Despatch, No. 5, of the 19th January last, viz., that the Swiss Government had no intention of putting an end to the Convention, and I alluded to my conversation with M. Ruchonnet, as reported in my Commercial Despatch, No. 18, of the 18th March, when he stated that the Swiss Government would, perhaps, reluctantly agree to a revision.

The President said that what he had told me in January was strictly true, and that the question had not then come before the Federal Council. As the matter was one of finance, his Excellency continued, the details of what had happened were not sufficiently in his mind for him to give them to me verbally, for the information of Her Majesty's Government.

In order that there should be no mistake, his Excellency promised me to have a Memorandum drawn up in the Finance Department, which he would duly communicate to me, and a copy of which I shall then have the honour to transmit to your Lordship.

I have, &c.
F. O. Adams.

LATIN UNION.

(No. 49—Commercial.)

Her Majesty's Minister at *Athens* to the Secretary of State for Foreign Affairs.

My Lord, Athens, 24 August 1884.

THE Greek Government are contemplating a withdrawal from the Latin Monetary Union, and will probably at the next meeting in October announce their intention to do so. They consider that a double standard, and the limitations imposed on the amount of silver coin Greece is permitted to issue, are injurious to their financial interests. They are, therefore, anxious to adopt a single gold standard, and to have their hands free in other respects. The Government are now coining eleven millions of francs in twenty-franc gold pieces at Paris. The gold necessary for this transaction has been furnished from the second instalment made by the contractors of the 1883 loan, on account of the Cours Forcé abolition.

I have, &c.
A. Nicolson.

SWEDEN AND NORWAY.

SWEDEN AND NORWAY.

REPORT by Consul General *Michell* on the Trade and Navigation of Norway, for the Year 1883.

SILVER MINES.

THE Kongsberg silver mines have in the year 1883 produced about 6,250 kilos. of silver. The production in the year 1882 was about 5,850 kilos.; the price of silver, which in the preceding years was about 136 kroner per kilo. has, in the course of the last year, been a little lower, viz.; about 133 kroner per kilo. Of the mines at Kongsberg, the "Armen Mine" had the smallest production. In the "King's Mine" there were better results at different depths. The very good find which was made some years ago at this mine has continued without change during the last year. The good finds in "Hans Sachsen Mine" have, although they have somewhat decreased, given a very good result. The find of ore in "Gottes Hülfe" has, on the other hand, been very irregular and unreliable. Of the silver mines at Vefsen, the "Svenningdal Mining Company," which is the oldest one, is building a very expensive washing-work for the great quantity of poor ore which has been found. Besides the Svenningdal Mining Company, the "Jacob Knutsen Mining Company" and the "Victoria Company" have worked with great activity, and many other companies have been established to work the parallel veins. On Hitteröen Island the search after silver has been very extensive, and more than 500 claims were announced in the course of last year. The only two mines which have been worked are "Mörkedalen" and "Roven." The latter has just been supplied with a washing machine. Although the veins have not been examined sufficiently, there is every reason to believe that the working of these mines will, in time, give a good return. Of the "Hatfjeldalen" mines, which a few years ago were much spoken of as very promising, nothing more has been heard. A discovery of gold has been made at Bremnæs, on Bömmel Island. Working for copper had commenced at this place in a vein of quartz, when gold was found at a depth of seven metres down in the quartz. The precious metal was also found in the limestone, and is said to contain 93 per cent., but the mine is too new to enable us to speak of its future with any certainty.

ROUMANIA.

REPORT by Acting Consul General *Vecqueray* on the Trade and Commerce of the Port of Galatz during the Year 1881.

BUSINESS operations have been very much facilitated by the withdrawal from circulation at the end of the year 1880 of the Russian silver coinage, the continually fluctuating value of the Russian silver rouble having formerly caused great inconvenience to mercantile transactions.

TURKEY.

REPORT by Mr. *Bland* on the Finances of Turkey, 1883.

CURRENCY REFORM.

A GREAT want of small change having been experienced of late, and a considerable depreciation having taken place in the value of the silver medjidieh, a scheme has been proposed for remedying these evils, which it is hoped will shortly be carried into effect. The taxes are at present payable in no less than nineteen different kinds of money. Consequently, a considerable sum is lost in the conversion into gold of these various silver and debased currencies. The present depreciation of silver is estimated to cause an annual loss of £ T.300,000 (272,727 *l.*) to the Imperial Government, and of £ T. 50,000 to the Council of Administration of the Public Debt, at the instigation of which latter body the present scheme has been elaborated. A Commission has been appointed to give effect to it, of which Wettendorff Bey, the Under Secretary of Finance, is President. With regard to the details of the scheme, I cannot do better than quote the following extract from a recent article in the "Eastern Express," which gives them very accurately:—

"All the arrangements for the action of the Commission have been made. The Mint has been instructed to make preparations for coining into pieces of 1, 2, and 5 piastres, 20,000 *l.* worth of silver medjidiehs, and this operation will be repeated as often as it may prove to be necessary to satisfy the public demand. The withdrawal of the 'altiliks' and 'beshliks' has already been decided on, and all that remains to be done is to draw up the Convention between the Treasury, the Council of the Public Debt, and the Imperial Ottoman Bank. The Council of the Public Debt has made a grant to the Treasury of £ T. 15,000 per annum towards covering the loss on the withdrawal of the 'altilik' and 'beshlik.' The Imperial Ottoman Bank has consented to advance to the Government £ T. 30,000 per annum with the same object. The Government has therefore a credit of £ T. 45,000 with which to commence operations. The *modus operandi* will be as follows: the Imperial Ottoman Bank will purchase 'altiliks' and 'beshliks' to the amount of the credit. The coins will then be sent to England, melted down into ingots, and sold for their value as metal. This operation will be repeated as frequently as may be possible in the course of the year within the limits of a loss of £ T. 45,000. These measures will naturally tend to restore the medjidieh to its proper value."

It may be added that the Convention referred to has now been concluded, and that a tangible result of the labours of the Commission has been already arrived at, in the transmission to the Mint by the Imperial Ottoman Bank of silver medjidiehs to the amount of £ T. 10,000, which are to be re-coined into

TURKEY.

pieces of 5 piastres, 2 piastres, 1 piastre, and 20 paras (half a piastre). The proportion of this last-named coin will, however, be small, as its diminutive size will render it inconvenient, and liable to be lost. The withdrawal of the "altilik" will now begin, and a considerable change for the better should take place in the currency during the course of next year.

UNITED STATES.

UNITED STATES.

REPORT by Mr. *Drummond* on Foreign Trade of the United States for Year ended 30 June 1879.

"THE foreign specie movement of the past year has been a very unusual one. The exports of gold and silver amounted to only 25,800,000 dollars, while the imports reached 93,200,000 dollars, leaving a net import of 67,400,000. This foreign acquisition, added to the domestic production of 68,500,000 dollars, involves an addition, in 1879, of 136,000,000 dollars to the stock of the precious metals in this country."

* * * * * * *

With respect to the present condition of coin in the United States, the following may be considered of interest:—

"The amount of silver dollars on hand has increased during the month 1,793,547 dollars, which shows that the Treasurer has been able to disburse these coins about as rapidly as they were manufactured at the mints. The minimum of the silver dollar coinage is 2,000,000 dollars per month, but Director Burchard has always managed to exceed the minimum. In silver bullion there was an increase of 400,000 dollars, and in fractional silver coins an increase of 1,323,180 dollars. A trifle over 300,000 dollars in silver certificates were added during the month to the amount outstanding on 1st January, the amount now outstanding being over 9,000,000 dollars. The silver certificates on hand amount to 5,000,000 dollars. There was an increase in the United States notes of nearly 2,000,000 dollars, the amount now held being 24,300,000 dollars. The total assets in United States and national bank notes, including the amount of deposits held by bank depositaries, is nearly 42,000,000 dollars, while the liabilities outstanding against that amount are 32,600,000 dollars. Deducting gold certificates and called bonds outstanding, and interest due and unpaid, leaves the gold coin and bullion now on hand about 121,000,000 dollars. The customs receipts reported for January were 16,017,100 dollars, and the internal revenue receipts 10,202,859 dollars, an increase in customs over January 1879 of 5,747,166 dollars, and an increase in internal revenue of over 1,900,000 dollars."

* * * * * * *

Resumption of specie payments. Beneficial results.

The resumption of specie payments since the 1st January 1879 immediately showed beneficial results, as I pointed out in my Financial Report of the 18th February last; since then it has been followed by a very great revival of business, and there has been a marked improvement of the public credit. The Secretary of the Treasury is of opinion that the provisions of existing law are ample to enable the Department to maintain resumption even upon the present volume of United States notes, 346,681,016 dollars, which by Act of the 31st May 1878 cannot be retired, cancelled, or destroyed. The Secretary, however, in view of the large inflow of gold into the country, and the high price of public securities, considers that it is now a favourable time to invest a portion of the sinking fund in United States notes, to be retired and cancelled, and in this way gradually to reduce the maximum of such notes to the sum of 300,000,000 dollars, the amount fixed by the Resumption Act of the 14th July 1870.

The

UNITED STATES.

Legal-tender character of United States notes should be withdrawn. Senator Hayard's resolution in the Senate.

The Secretary of the Treasury in his Report called the attention of Congress to the question whether United States notes ought still to be a legal tender in payment of debts, and whether the legal-tender clause should not now be repealed. Since the meeting of Congress Senator Hayard has urged unsuccessfully the adoption of a resolution in the Senate recommending the withdrawal of the present compulsory legal-tender power from Treasury notes, by the passage of a resolution that all United States notes shall be receivable for all dues to the United States excepting duties on imports, and shall not be otherwise a legal tender.

Value of the coinage executed the past year.

The value of the coinage executed during the year was :—

	Dols.	*c.*
Gold coinage	40,986,912	00
Coinage of standard silver dollars	27,227,500	00
„ subsidiary silver coin	382	50
„ minor coin	97,798	00
TOTAL	68,312,592	50
Last Year it was	81,120,499	00

Suspension of coinage of minor silver coins.

The amount of silver coin of less than a dollar provided for by law having been executed, the coinage of this money has been suspended.

Bullion production.

The bullion production from the mines of the United States for the last year is estimated by the Director of the Mint to be nearly 80,000,000 dollars, the proportions of gold and silver being about equal. This is a less amount than in the preceding year, when it amounted to 93,952,421 dollars.

Bullion consumption.

The consumption for the fiscal year ended the 30th June 1879, was divided as follows compared with 1878 :—

	Coinage.	Used in Arts and Manufactures.	Exported.	TOTAL.
Gold—	*Dols.*	*Dols.*	*Dols.*	*Dols.*
1878	45,922,340	5,078,701	205,319	51,206,360
1879	35,005,959	3,869,125	24,774	38,899,858
Silver—				
1878	25,036,188	5,210,152	15,035,045	45,281,385
1879	22,951,768	5,977,300	11,883,064	40,812,132

Total amount of coin and bullion.

The estimates of coin in the United States on the 31st October 1879 are given thus: 305,750,497 dollars gold, and 121,456,355 dollars silver. The bullion in the Mints and New York Assay Office at that date awaiting coinage amounted to 49,931,035 dollars gold, and 4,553,182 dollars of silver, making the total amount of coin and bullion 481,691,069 dollars.

Coinage of the silver dollar should be still further limited.

Coinage ratio of gold and silver should be adjusted by Treaties with commercial nations.

The Secretary has called the attention of Congress to the importance of further limiting the coinage of the silver dollar. At present, owing to its limited coinage, it has been left at par, but its free coinage would soon reduce its current value to its bullion value, and thus establish a silver standard, the result of which would be to exclude gold coin from circulation. The Secretary again urges the importance of adjusting the coinage ratio of the two metals by Treaties with commercial nations, and, until this can be done, of limiting the coinage of the silver dollar to such a sum as in the opinion of Congress would enable the Treasury to readily maintain the standard dollar of gold and silver at par with each other.

UNITED STATES.

REPORT by Consul General *Archibald* on the Trade and Commerce of New York for the Year 1879.

FOREIGN Movement of Specie and Bullion at New York in the Year 1879.

	Imports from Foreign Ports.	Exports to Foreign Ports.	Excess of Imports.	Excess of Exports.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*
Gold Bullion - - -	18,663,310	8,234	18,655,076	—
Gold Coin - - -	57,419,597	1,871,758	55,547,839	—
Silver Bullion - - -	71,268	9,009,205	- -	8,937,937
Silver Coin - - -	7,446,438	3,873,187	3,573,251	—
Trade Dollars - - -	595,496	65,660	529,836	—
TOTALS - - -	84,196,109	14,828,044	78,306,002	8,937,937

The net gain in specie of all kinds at this port is 69,368,065 dollars.

GOLD AND SILVER MINING INDUSTRY.

The production of gold and silver in the United States showed a considerable falling-off in 1879 from the figures of 1878. It is quite evident, however, that old mining caups are being changed for new ones, and no inference can be made from this falling-off in a transition period. The Leadville district in Colorado, for instance, is just starting, it may be said, and yet its bullion and ore produced for the year is stated at nearly 12,000,000 dollars. The silver production for the whole of the United States for 1879 is put at 37,032,000 dollars, and of gold 31,470,000 dollars.

REPORT by Consul *Booker* on the Trade and Commerce of San Francisco for the Year 1879.

THIRTEEN gold mines of California have paid in dividends 1,600,000 dollars, and there are many other dividend-paying mines, but it is very difficult to get at the facts in connection with them.

The silver mines of Nevada have turned out about 22,000,000 dollars in the past year, against 34,000,000 dollars in 1878, and 50,500,000 dollars in 1877; this is due entirely to the decreased yield of the Consolidated Virginia and California mines. The reports of these mines do not give hope of any large continuous yield, as the known reserves of ore are very greatly reduced, even in the lower levels. Accompanying my Report for 1875 were the Reports of the Director of the United States Mint and Professor R. E. Rogers, who was at the time superintending the equipment of the refinery in the new branch mint of this city, upon the Consolidated Virginia and California mines, which were thoroughly examined by those two gentlemen. Professor Rogers reports that, with the data in his possession, and the maps before him, he estimates the total ultimate product of the gold and silver of the ore body of the two mines in and above the 1,550-feet level at 300,000,000 dollars, but, to guard against a chance of over-estimating, he takes the assays at one-half that ascertained, and places the product at 150,000,000 dollars. This estimate is concurred in by the Director of the Mint. The known reserves of the ore in the levels upon which the two experts based their calculation are now reduced to the minimum, and we are able to ascertain what degree of accuracy was arrived at by them, in forming their estimate of the probable yield. Since the examination of the mines, the produce of gold and silver in and above the 1,550-feet levels has amounted to about 55,000,000 dollars; allowing for about 73½ per cent. of the assay

assay value only having been extracted, these figures will be raised to about 74,800,000 dollars, or a little less than half of the lower estimate. From these mines, since the time referred to, the total produce has been about 87,000,000 dollars; the ore from which it was extracted would have an assay value of about 111,200,000 dollars. The difference between the two values, 55,000,000 dollars and 87,000,000 dollars, has been the product of the mines below the 1,550 feet levels.

There have been no new important developments in the Nevada mines in the past year. The Sutro Tunnel is now used for drainage purposes, and work is being pushed forward in the lower levels of the mines drained by it. In 1878 there was an excitement over the discovery of ore in the Sierra Nevada and Union Consolidated Mines, and imaginative pictures were drawn of an ore body far exceeding that of the Consolidated Virginia and California. Shares went up in value to what they ought to have been worth had the imaginative worth been an ascertained reality. As work progressed the ore body was found to be even less extensive and less rich than might reasonably have been expected from its appearance when first struck; the usual result followed; a very few persons realised at the high figures, and were added to the list of rich men, and a great many were added to the long list of those previously ruined by stock speculations. These mines have given some good ore, and every now and then the developments are sufficient to lead the more sanguine to believe that they may yet be found to have an extensive ore body; to arrive at what is yet known has been at a cost of over 1,500,000 dollars in assessments to the shareholders.

I give below the yield of the mines of the Comstock lode, and of the other districts of Nevada:—

COMSTOCK LODE.

	Gold.	Silver.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
California	1,324,026	1,252,688	2,576,714
Consolidated Virginia	1,186,737	1,294,622	2,481,359
Ophir	581,100	724,937	1,306,037
Union Consolidated	70,141	62,994	133,135
Sierra Nevada	96,788	93,266	190,054
Other Mines and Tailings	380,934	1,762,330	2,143,264
TOTAL	3,639,726	5,190,837	8,830,563

OTHER DISTRICTS.

	Dollars.		*Dollars.*
Aurora	6,912	Brought forward	8,421,845
Austin	1,004,628	Hamilton	45,559
Battle Mountain	273,218	Humboldt	11,967
Belville	822,771	Marietta	59,217
Belmont	147,798	Mill City	58,305
Beowawe	152,599	Oreana	13,817
Bristol	374,145	Paradise	59,057
Candelaria	535	Pioche	407,893
Carson	119,152	Rye Patch	122,467
Cherry Creek	305,659	Sedan Mills	54,369
Columbus	99,817	Silver Peak	48,192
Cornucopia	59,245	Tecoma	3,150
Columbia	20,000	Tuscarora	1,386,524
Dayton	121,812	Tybo	133,094
Elko	57,889	Unionville	184,847
Eureka	4,488,220	Ward	518,468
Grantsville	365,945	Winnemucca	37,660
Golconda	1,500		
Carried forward	8,421,845	TOTAL	11,566,431

Of the above, 2,410,000 dollars was gold.

In Appendix No. 4 is given the number of feet and shares in the leading mines of Nevada, and the highest and lowest prices of the shares of the different companies in each month of the year.

UNITED STATES.

The following report of Wells, Fargo, and Company, Express and Banking Company, who have the means at their disposal for the purposes of compilation, will be read with interest:—

"The following is a copy of our annual statement of precious metals produced in the States and Territories west of the Missouri River, including British Columbia (and receipts in San Francisco by express from the West Coast of Mexico), during 1879, which shows aggregate products as follows:—Gold, 32,539,920 dollars; silver, 38,623,812 dollars; lead, 4,185,769 dollars; total gross result, 75,349,501 dollars, being less by 5,805,121 dollars than for 1878. California shows a decrease in gold of 140,342 dollars, and in silver of 589,146 dollars, a net decrease of 729,488 dollars. Nevada shows a total falling off of 13,184,235 dollars, the yield from the Comstock being only 8,830,562 dollars, as against 21,295,043 dollars for 1878, a decrease of 12,464,481 dollars from that locality. The product of Eureka district is 5,859,261 dollars, as against 6,981,406 dollars for 1878, a decrease of 1,122,145 dollars. Utah shows a falling off of 595,734 dollars. Colorado shows an increase of over 8,000,000 dollars, chiefly from Leadville district. It has been exceedingly difficult to arrive at the actual production of Leadville, the two most reliable reports varying more than 2,000,000 dollars. We have adopted an average based upon the conflicting figures. Dakota shows an increase of 993,183 dollars.

"STATEMENT of the Amount of Precious Metals produced in the States and Territories west of the Missouri River, including British Columbia (and Receipts in San Francisco by Express from the West Coast of Mexico), during the Year 1879.

STATES and TERRITORIES.	Gold Dust and Bullion by Express.	Gold Dust and Bullion by other Conveyances.	Silver Bullion by Express.	Ores and Base Bullion by Freight.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
California	16,348,730	817,436	739,440	285,367	18,190,973
Nevada	168,847	- -	16,622,472	5,206,395	21,997,714
Oregon	943,601	94,360	- -	- -	1,037,961
Washington	77,579	7,757	- -	- -	85,336
Idaho	1,035,804	207,160	578,336	270,000	2,091,300
Montana	1,907,053	95,352	1,194,389	432,226	3,629,020
Utah	211,640	21,164	2,559,042	2,677,033	5,468,879
Colorado	3,144,697	314,469	1,594,349	9,360,000	14,413,515
New Mexico	19,800	- -	603,000	- -	622,800
Arizona	212,722	21,272	1,046,036	662,373	1,942,403
Dakota	2,674,156	534,831	- -	- -	3,208,987
Mexico (West Coast)	92,916	- -	1,249,955	341,000	1,683,871
British Columbia	976,742	- -	- -	- -	976,742
TOTAL	27,814,287	2,113,801	26,187,019	19,234,394	75,349,501

"The bullion from the Comstock lode contains 41·20 per cent. of gold, and 58·80 per cent. of silver. Of the so-called base bullion from Nevada, 27 per cent. was gold; and of the whole product of the State, 27·50 per cent. was gold.

"The gross yield for 1879 shown above, segregated, is approximately as follows:—

	Per Cent.	Value.
		Dollars.
Gold	43·20	32,539,920
Silver	51·25	38,623,812
Lead	5·55	4,185,769
TOTAL		75,349,501

"The outlook for 1880 does not indicate a greater product than for 1879.

"ANNUAL

"ANNUAL Products of Lead, Silver, and Gold, in the States and Territories west of the Missouri River, 1870–79.

YEAR.	Products as per W. F. & Co.'s Statements, including Amounts from British Columbia and West Coast of Mexico.	Product after deducting Amounts from British Columbia and West Coast of Mexico.	The Net Product of the States and Territories west of the Missouri River, exclusive of British Columbia and West Coast of Mexico, divided, is as follows:—		
			Lead.	Silver.	Gold.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
1870 - - - - - -	54,000,000	52,150,000	1,080,000	17,320,000	33,750,000
1871 - - - - - -	58,284,000	55,784,000	2,100,000	19,286,000	34,398,000
1872 - - - - - -	62,236,959	60,351,824	2,250,000	19,924,429	38,177,395
1873 - - - - - -	72,258,693	70,139,860	3,450,000	27,483,302	39,206,558
1874 - - - - - -	74,401,045	71,965,610	3,800,000	29,699,122	38,466,488
1875 - - - - - -	80,889,057	76,703,433	5,100,000	31,635,239	39,968,194
1876 - - - - - -	90,875,173	87,219,859	5,040,000	39,292,924	42,886,835
1877 - - - - - -	98,421,754	95,811,582	5,085,250	45,846,109	44,880,223
1878 - - - - - -	81,154,622	78,276,167	3,452,000	37,248,137	37,576,030
1879 - - - - - -	75,349,501	72,688,888	4,185,769	37,032,857	31,470,262

"The exports of silver during the present year to Japan, China, India, the Straits, &c., have been as follows:—From Southampton, 33,000,000 dollars; Marseilles and Venice, 5,000,000 dollars; San Francisco, 8,000,000 dollars; total, 46,000,000 dollars, as against 39,000,000 dollars from the same places in 1878."

REPORT by Mr. *Drummond* on the Foreign Trade of United States in the Eleven Months ended May 1880.

The excess of imports or exports of gold and silver coin and bullion was as follows:—

Excess of exports for May 1880, 583,294 dollars; for 1879, 882,592 dollars; a decrease of 299,298 dollars.

For the 11 months ended May 1880 the excess of imports was 75,713,531 dollars; for 1879 the excess of exports was 3,239,152 dollars.

For the 12 months ended May last the excess of imports was 74,251,242 dollars; in 1879 the excess of exports was 5,285,324 dollars, making the United States a gainer of 68,965,918 dollars, or 14,367,899 *l.*

Gold and Silver—Coin and Bullion.

	Dollars.	*Dollars.*	*Dollars.*
1880.			
Exports—			
Domestic - - - - - -	847,015	8,858,619	11,398,108
Foreign - - - - - - -	858,516	7,029,305	7,528,754
TOTAL - - -	1,705,531	15,887,924	18,926,862
Imports - - - - - - -	1,122,237	91,601,455	93,178,104
Excess of exports over imports - - -	583,294	—	—
Excess of imports over exports - - -	- -	75,713,531	74,251,242
1879.			
Exports—			
Domestic - - - - - -	2,056,375	15,015,546	17,579,170
Foreign - - - - - - -	436,980	6,942,957	7,881,561
TOTAL - - -	2,493,355	21,958,503	25,460,731
Imports - - - - - - -	1,610,763	18,719,351	20,175,407
Excess of exports over imports - - -	882,592	3,239,152	5,285,324

UNITED STATES.

REPORT by Mr. *Drummond* for the Year ended 30th June 1880.

The production of gold and silver in the United States in 1880 is estimated as follows :—

	Dollars.
Gold	34,113,000
Silver	48,200,000

MINING.

The yield of gold in California has been about 18,000,000 dollars, two-thirds of which was the product of hydraulic and drift mining. There have been no new developments of importance. The product of the Bodie district, situated on the eastern slope of the Sierra Nevada Mountains, has been increasing during the past four years. In 1877 it yielded from its quartz mines 797,022 dollars; in 1878, 2,129,732 dollars; in 1879, 2,556,847 dollars; and in 1880, 3,063,696 dollars, which came from the following sources :—

	Gold.	Silver.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
Standard consolidated	1,728,650	130,113	1,858,763
Bodie „	255,741	174,076	429,817
Bulwer „	109,273	8,225	117,498
Noonday	401,729	110,028	511,757
Syndicate	22,044	2,725	24,769
Belvidere	9,583	16,317	25,900
Dudley	524	1,222	1,746
Sundry small mines	88,772	4,673	93,445

The milling capacity of the district is 134 stamps; it is believed that this capacity will be nearly doubled this year. A new mining district in the neighbourhood is likely to come into prominence from the satisfactory results of the working of two or three mines.

The following has been the yield of a few of the most prominent mines of other districts of the State, all gold, or proportion of silver unimportant :—

	Dollars.
Eureka Lake and Yuba Canal Company (Hydraulic)	274,171
Excelsior Water and Mining Company (Hydraulic)	302,950
North Bloomfield Company (Hydraulic)	287,924
Milton Mining Company (Hydraulic)	377,786
Blue Tent Mining Company (Hydraulic)	162,000
Keystone Mining Company (Quartz)	461,011
Idalio Mining Company (Quartz)	454,738
Sheep Ranche Mining Company (Quartz)	148,995
Black Bear Mining Company (Quartz)	135,969
Sierra Buttes Mining Company (Quartz)	326,510
Eureka Mining Company (Plumas Company) (Quartz)	518,076

A Bill was passed in the last Legislature imposing a tax of 5 cents on the 100 dollars, and also a tax upon the water used in hydraulic mining, towards carrying out a system of works to put a stop to further damage being done by the *débris* from the hydraulic mines. Dams have been constructed on the Yuba and Bear Rivers from designs approved of by engineers of prominence for this purpose, but, the heavy floods of this winter having carried off a portion of the dams, which were constructed mainly of brush, and also having filled in the space above them with sediment faster than was expected, leaving much to pass over them, it is feared they will not answer the purpose intended. The cost of these

these dams has exceeded the estimates very considerably, and efforts are being made in the Legislature now sitting to repeal the Act referred to, and to prevent other works of similar character being built at the expense of the State.

In Appendix No. IV. I give an interesting statement, compiled from the United States' Mint Returns, United States' Census, and State Reports, showing the production of gold and silver in the different counties of the State for the fiscal year ended 30th June 1880, together with other statistics connected therewith. It appears from this statement, which has been compiled with great care, that 33 out of the 52 counties of the State are mineral-bearing. The information in regard to quartz mills and mining ditches, taken from the Surveyor General's Report, is probably more or less imperfect, as that official has to depend for his figures upon so many county officials.

The silver mines of Nevada have turned out about 14,000,000 dollars, against 22,000,000 dollars in 1879, 34,000,000 dollars in 1878, 51,500,000 dollars in 1877, 49,000,000 dollars in 1876, 37,000,000 dollars in 1875, and 34,000,000 dollars in 1874. In 1874 attention was first particularly directed to the enormous ore deposit then being thoroughly opened in the Consolidated Virginia and California mines, and the former that year paid its first dividend; the increasing yield of the Nevada mines up to 1877 was due to the great output of these mines, from which, since the opening of them, there has been taken out the enormous sum of 112,000,000 dollars. The yield began to decrease in 1878, and has been falling off rapidly since, that of last year only reaching about 2,650,000 dollars, the product of comparatively poor ores.

No discoveries of any importance have been made the past year on the Comstock lode, and the great depth of all the mines renders the work of exploring very costly; it is, in consequence, becoming a question how long assessments will be paid unless some paying ore deposit is found. The Sutro tunnel is only used for drainage purposes, and as yet there does not appear any effort being made in the direction of using it for the transit of ores. There are on this lode immense quantities of low grade ores, now valueless, which might probably be made to pay if passed through the tunnel and worked by water-power on the Carson River. In regard to assessments, the following extract from the "Alta California Almanack" will be read with interest:—"Comstock Assessments.—Silver mining companies have found very rich diggings in San Francisco. The speculators have not faith of the kind that removes mountains, but they have that other kind, perhaps equally wonderful, that throws millions into holes in the ground. The metropolis, even in these times of depression, collects about a million dollars a month to employ the miners, and run the mills for grinding ores, and lubricating throats in the land of the sage brush. In the first eleven months of 1880 the assessment roll of the San Francisco mining companies amounted to 12,000,000 dollars, a little less than for the corresponding periods of 1879 and 1878. Figures show the total amount of assessments collected by the Comstock companies which have levied more than 100,000 dollars each, to have been 58,723,000 dollars. Eighteen other mines holding claims now valid in the Comstock district, not mentioned in the above list, have collected 735,000 dollars, in assessments. This list takes no account of assessments by companies which have been dissolved or superseded, such as those which formerly held the ground now owned by the Chollar, Potosi, Consolidated Virginia, California, and Consolidated Imperial mines. The dividends of the Comstock mines foot up 125,342,900 dollars. The Comstock mines, or mines in the Comstock district, mentioned in the list of the Stock Exchange, number 74, but of these three, perhaps, should be omitted, for they have never levied an assessment or paid a dividend. Of the 71 live mines, 14 have paid dividends and 70 have levied assessments. The only mine that paid a dividend without levying an assessment is the California. Of the 14 mines which have paid dividends, the Confidence, Daney, Hale and Norcross, Ophir, Savage, Sierra Nevada, Succor, and Yellow Jacket have taken more from their shareholders than they have given back; leaving only six, viz.: the Belcher, California, Consolidated Virginia, Crown Point, Gould and Curry, and Kentuck, that have paid net dividends. The chance was 6 to 71, or about 1 in 12, in the richest silver mining district of the globe at its richest period. It is scarcely necessary to say that the chief purpose of running the 65 unprofitable mills in the Comstock district, or at least the chief result, has been the profit, not of the proprietors, but of their servants."

 I give

UNITED STATES.

I give below a statement of the amount of precious metals produced in Nevada State in 1880 :—

COMSTOCK LODE.

MINES.	Gold.	Silver.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
Consolidated Virginia	1,045,414	711,122	1,756,536
California	547,484	342,559	890,043
Union Consolidated	506,382	473,740	980,122
Sierra Nevada	24,276	30,970	55,246
Ophir	74,310	91,731	166,041
Other mines and tailings (chiefly tailings)	-	-	1,100,000
TOTAL	2,197,866	1,650,122	4,947,988

OTHER DISTRICTS.

DISTRICTS.	Gold Bullion.	Silver Bullion.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
Aurora	3,775	3,600	7,375
Austin	-	760,641	760,641
Battle Mountain	-	1,700	1,700
Belleville	-	1,152,009	1,152,009
Belmont	-	40,455	40,455
Beowawa	-	69,210	69,210
Cambridge	2,200	-	2,200
Carson	90,190	16,398	106,588
Cherry Creek	26	274,500	274,526
Columbus	175	7,771	7,946
Cornucopia	-	30,997	30,997
Elko	15,619	4,228	19,847
Eureka	-	1,501,535	1,501,535
Franktown	-	1,500	1,500
Gold Hill	26,814	-	26,814
Grantsville	-	339,840	339,840
Hamilton	-	93,053	93,053
Lewis	-	124,571	124,571
Marietta	-	12,468	12,468
Mill City	21,460	2,550	24,010
Paradise	-	142,122	142,122
Pioche	-	141,196	141,196
Reno	16,109	51,287	67,396
Rye Patch	7,909	29,358	37,267
Sedan	-	27,618	27,618
Silver Peak	-	2,414	2,414
Spring City	-	49,281	49,281
Tuscarora	5,906	593,147	599,053
Typo	-	176,312	176,312
Unionville	5,178	96,885	102,063
Silver City	25,348	-	25,348
Ward	13,633	190	13,823
Wadsworth	-	1,540	1,540
Winnemacca	481	12,524	13,005
TOTAL	234,823	5,760,900	5,995,723

The

The above yield of the mines of the Comstock lode and other districts of Nevada represents that of the precious metals only. The base bullion yield is given in the following table:—

	Gold.	Silver.	Lead.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*
Eureka	1,389,280	679,240	1,068,970	3,137,490
Battle Mountain	-	255,184	-	255,184
Bristol	12,811	234,114	14,000	260,925
Cornucopia	-	20,000	-	20,000
Golconda	-	1,225	-	1,225
Hamilton	-	15,000	-	15,000
Reno	-	6,400	-	6,400
Tecoma	-	1,232	-	1,232
Unionville	-	22,000	-	22,000
Ward	-	3,850	-	3,850
TOTAL	1,402,091	1,238,245	1,082,970	3,723,306

The following report of Wells, Fargo, and Company (Express and Banking Company), who have the means at their disposal for purposes of compilation, will be read with interest:—

"The following is a copy of our annual statement of precious metals produced in the States and territories west of the Missouri River, including British Columbia, and receipts in San Francisco by express from the west coast of Mexico during 1880, which shows aggregate products as follows:—

	Dollars.
Gold	33,522,182
Silver	40,005,364
Lead	5,742,390
Copper	898,000
TOTAL	80,167,936

"California shows an increase in gold of 579,579 dollars, and a decrease in silver of 360,873 dollars. Nevada shows a total falling-off of 6,966,093 dollars; the yield from the Comstock being only 5,132,592 dollars, as against 8,330,562 dollars in 1879, a decrease of 3,517,970 dollars. The product of Eureka district is 4,639,025 dollars, as against 5,859,261 dollars in 1879, a decrease of 1,220,236 dollars. Utah shows an increase of 982,074 dollars. Colorado shows an increase of 6,871,474 dollars over our report of last year, chiefly from Leadville district. Dakota shows an increase of 914,094 dollars; Arizona shows a notable increase.

UNITED STATES.

"STATEMENT of the Amount of Precious Metals produced in the States and Territories west of the Missouri River, including British Columbia, and Receipts in San Francisco by express from the West Coast of Mexico, during the Year 1880.

States and Territories.	Gold Dust and Bullion by Express.	Gold Dust and Bullion by other Conveyances.	Silver Bullion by Express.	Ores and Base Bullion by Freight.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
California - - -	16,900,745	845,000	378,567	151,854	18,276,166
Nevada - - -	236,323	- -	11,071,992	3,723,306	15,031,621
Oregon - - -	692,525	346,262	20,854	- -	1,059,641
Washington - -	63,911	34,500	1,753	- -	105,164
Idaho - - - -	1,175,115	235,023	332,755	151,854	1,894,747
Montana - - -	1,115,787	55,789	919,189	1,731,614	3,822,379
Utah - - - -	95,958	10,336	3,076,775	3,267,884	6,450,953
Colorado - - -	2,278,989	- -	1,706,000	17,300,000	21,284,989
New Mexico - -	27,300	- -	684,000	- -	711,300
Dakota - - -	3,749,081	374,000	- -	- -	4,123,081
Arizona - - -	159,970	80,000	2,830,449	1,402,052	4,472,471
Mexico (West Coast) -	118,248	- -	1,586,309	386,000	2,090,557
British Columbia -	675,894	168,973	- -	- -	844,867
TOTAL - - -	27,294,846	2,149,883	22,608,643	28,114,564	80,167,936

"The bullion from the Comstock lode contains $50\frac{42}{100}$ per cent. gold and $49\frac{58}{100}$ per cent. silver. Of the so-called base bullion from Nevada $37\frac{60}{100}$ per cent. was gold; and of the whole product of the State $28\frac{70}{100}$ per cent. was gold.

"The gross yield for 1880, shown above, segregated, is approximately as follows:—

	Dollars.
Gold, 41·82 per cent. - - - - -	33,522,182
Silver, 49·90 per cent. - - - - -	40,005,364
Lead, 7·16 per cent. - - - - - -	5,742,390
Copper, 1·12 per cent. - - - - -	898,000
TOTAL - - - - - -	80,167,936

"Annual Products of Lead, Silver, and Gold in the States and Territories west of the Missouri River, 1870-80:—

YEAR.	Products as per Wells, Fargo, and Co.'s Statements, including Amounts from British Columbia and West Coast of Mexico.	Product after deducting Amounts from British Columbia and West Coast of Mexico.	The net Product of the States and Territories West of the Missouri River, exclusive of British Columbia and West Coast of Mexico, divided, is as follows:—			
			Lead.	Copper.	Silver.	Gold.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
1870 - - -	54,000,000	52,150,000	1,080,000	- -	17,320,000	33,750,000
1871 - - -	58,284,000	55,784,000	2,100,000	- -	19,286,000	34,398,000
1872 - - -	62,236,959	60,351,824	2,250,000	- -	19,924,429	38,177,395
1873 - - -	72,258,693	70,139,860	3,450,000	- -	27,483,302	39,206,558
1874 - - -	74,401,045	71,965,610	3,800,000	- -	29,699,122	38,466,488
1875 - - -	80,889,057	76,703,433	5,100,000	- -	31,635,239	39,968,194
1876 - - -	90,875,173	87,219,859	5,040,000	- -	39,292,924	42,886,935
1877 - - -	98,421,754	95,811,582	5,085,250	- -	45,846,109	44,880,223
1878 - - -	81,154,622	78,276,167	3,452,000	- -	37,248,137	37,576,030
1879 - - -	75,349,501	72,688,888	4,185,769	- -	37,032,857	31,470,262
1880 - - -	80,167,936	77,232,512	5,742,390	898,000	38,033,055	32,559,067

The foregoing shows that, outside of the Comstock lode and the product of the so-called base bullion, the percentage of gold in Nevada was a little under 18 per cent. The statement exhibits an increase on the product of Colorado of nearly 7,000,000 dollars over that of 1879, and of Arizona of over 2,500,000 dollars. In the latter territory some valuable mines are being developed.

Report by Consul *Booker* on the Trade and Commerce of California for 1880.

Tabular Statement showing Condition of Mining in *California* for the Fiscal Year ended 30th June 1880. Compiled from Mint Bureau Returns, United States Census, and State Reports.

COUNTIES.	Number of Quartz Mills.	Tons Crushed.	Number of Mining Ditches.	Miles of Mining Ditches.	White Population in Mining Counties.	Chinese Population in Mining Counties.	Gold Bullion Produced.	Silver Bullion Produced.	Total Production.	REMARKS.
							Dollars.	*Dollars.*	*Dollars.*	
Alplue	3	8,450	-	-	589	17	17,113	24,146	41,259	Silver and gold-bearing veins.
Amador	22	100,000	7	300	10,271	1,115	1,495,053	1,953	1,497,006	Principally from quartz on mother lode, 375 stamps running.
Butte	8	3,000	-	390	14,937	No returns	430,501	1,247	431,748	Principally from deep placers by hydraulic. Mining and agricultural county.
Calaveras	47	41,500	26	525	8,057	1,037	320,865	643	321,508	Production divided betwen quartz and shallow placers.
Colusa	-	-	-	-	-	-	4,830	78	4,908	Shallow placers. Agricultural county.
Del Norte	-	-	22	87	-	-	215,403	300	215,703	Beach sands and shallow placers.
El Dorado	26	10,000	5	500	9,197	1,483	389,383	208	389,591	One-third from quartz, rest from drift claims and hydraulic.
Fresno	1	-	-	-	-	-	143,433	-	143,433	From quartz by arastras. Agricultural county.
Humboldt	-	-	-	-	-	-	153,940	80	154,020	Beach sands and shallow placers. Agricultural county.
Inyo	5	500	1	6	2,928	90	48,648	173,916	222,564	Silver-bearing veins and argentiferous lead ores, principally extracted by smelting.
Kern	4	-	-	-	-	-	94,214	390	94,604	Gold-bearing quartz veins. Agricultural county.
Lassen	2	-	3	7	-	-	25,900	-	25,900	Gold-bearing veins at Hayden Hill. Agricultural and grazing county.
Los Angeles	-	-	4	21	-	-	7,700	66,300	74,000	Shallow placers. Agricultural county.
Mendocino	-	-	-	-	-	-	733	125	858	Black sands. Lumber and agricultural county.
Modoc	-	-	-	-	-	-	10,000	-	10,000	Supposed to be from adjoining counties. Grazing and agricultural county.
Mono	10	75,000	5	40	7,140	-	2,407,236	582,905	2,990,141	Gold and silver veins at Bodie.
Mariposa	27	23,275	-	107	3,642	697	150,017	1,300	151,317	Principally from quartz mining.
Merced	-	-	-	-	-	-	17,515	-	17,515	From quartz by arastras. Agricultural and grazing county.
Nevada	27	83,570	217	824	16,820	No returns	2,702,362	70,144	2,772,506	About two-thirds by hydraulic, remainder quartz.
Placer	20	3,500	22	358	12,030	2,196	835,433	640	836,073	About four-fifths by hydraulic and drift claims, rest quartz.
Plumas	15	100,000	34	700	5,312	No returns	857,124	181	857,305	About one-half quartz, remainder hydraulic.
Shasta	4	1,000	28	650	8,156	1,336	140,455	117,907	258,362	Principally hydraulic mining.
Stanilaus	-	-	1	15	-	-	73,271	-	73,271	Principally from shallow placers. Agricultural county.
San Diego	2	500	-	-	-	-	81,558	-	81,558	Shallow placers and gold-bearing quartz. Agricultural and grazing county.
Sacramento	-	-	2	200	-	-	342,514	-	342,514	From shallow placers. Agricultural county.
Siskiyou	5	21,700	6	250	7,049	1,561	434,612	251	434,863	Three-fifths from shallow placers, remainder quartz.
Sierra	22	70,000	55	366	5,373	1,250	974,332	576	974,908	One-third low grade quartz, remainder drift claims.
Tehama	-	-	-	-	-	-	1,500	-	1,500	Shallow placers. Agricultural and grazing county.
Tuolumne	29	-	14	190	7,043	805	461,861	1,071	462,932	About one-half from quartz, remainder from placers.
Tulare	3	400	1	-	-	-	1,125	526	1,651	About two-thirds from vein mining. Agricultural county.
Trinity	-	-	25	400	3,052	No returns	326,693	142	326,835	Principally river and shallow placers. Quartz by arastras.
Ventura	-	-	-	-	-	-	354	-	354	Quartz by arastras. Grazing county.
Yuba	1	-	6	100	9,121	No returns	937,360	438	937,798	Gold from hydraulic mines. County has large agricultural interests.

UNITED STATES.

REPORT by Consul *Booker* on the Trade and Commerce of Oregon and Washington Territory, for the Year 1880.

MINING.

There have been no new developments of importance in gold mining in Oregon during the past year; the yield was the same as in 1879, something over 1,000,000 dollars. In Washington Territory there is little doing, and the yield will not have exceeded 150,000 dollars.

REPORT by Mr. *Drummond* on United States Finance, for the Fiscal Year ended 30th June 1881.

The question of most interest is, probably, that of the possible embarrassment which may arise later from the compulsory coinage of silver bullion to the amount of not less than 400,000 *l.* monthly into silver standard dollars, and from the issue of silver certificates upon the deposit of gold coin, the outstanding amount almost equalling at the present moment that of all silver coin held in the Treasury, and being double that of the circulation of silver dollars. The gold dollar is the legal standard of value in the United States; the silver certificates, therefore, are really a subsidiary coin, for they are not payable in gold or its equivalent; they are only legal tender for "Customs taxes and public dues," yet have for their basis about 88 per cent. only of their nominal value. The Secretary of the Treasury explains that there is no promise from the Government to make good the difference between their actual and nominal value; he recommends, therefore, the early retirement of them from circulation, and that the Act should be repealed which requires the issue of such certificates, as also the provision for the coinage of a fixed amount of silver bullion each month, as he considers that this is tending to an exclusive silver coinage, which will later place the country in a very awkward position, that of paying for all it buys abroad upon a gold standard, and of selling all it sells upon a silver standard. He looks upon this also as the most forcible means of bringing about any concert of action among different nations for the purpose of bringing silver into general use and of raising its value. He believes that a cessation of silver coinage would soon bring about a satisfactory consideration of the whole subject of the silver question among the chief commercial nations.

Coin held by the Treasury.

Increase in coin, bullion, silver dollars, and certificates outstanding.

Comparing the condition of the Treasury on the 30th September 1881 with its condition on the same day 1880, the most striking changes are the increase in the gold coin and bullion and standard silver dollars on hand, and in the silver certificates outstanding.

The gross amount of gold and silver coin and bullion held by the Treasury, without regard to the obligations outstanding against it, has ranged from 163,969,444 dollars 70 cents in 1878, to 222,807,368 dollars 01 cents in 1879, 214,303,215 dollars 38 cents in 1880, and 269,706,998 dollars 76 cents in 1881. The increase within the last year has been 55,400,000 dollars, of which 39,150,000 dollars is in the gold, and 16,250,000 dollars in the silver. The increase in the gold has been greater, and in the silver less, in the last year, than in any year since the coinage of the standard silver dollar began.

The amount of United States notes on hand, which largely decreased during the two preceding years, has slightly increased during the last year, notwithstanding the urgent public demand for notes for circulation. The amount on hand above the amount required for the payment of Clearing-house certificates is 20,000,000 dollars, against 18,000,000 dollars a year ago. The amount now held is not more than sufficient for the reasonable requirements of the various offices of the Treasury. The Treasurer, while freely furnishing new United States notes in redemption of old United States notes, and of National Bank notes,

notes, has endeavoured to husband the supply by the use of gold, standard silver dollars, and silver certificates, in payment of demands on the Treasury. The practice during the past year has been to make 10 per cent. of all payments in silver dollars or certificates, 40 per cent. in gold coin, and 50 per cent. in notes. To this rule there is one important exception. Under the arrangement between the Treasury and the New York Clearing-house, all of the payments by the Treasury to this institution, aggregating 275,000,000 dollars a year, must be made in gold coin or United States notes; standard silver dollars are not receivable under its rules, although silver certificates are now being paid to it by the Treasury to some extent in large denominations, in lieu of gold coin for use in the payment of Customs dues. Aside from any personal views as to the expediency of reviving the silver dollar, it would seem unwise for any branch of the Government to encourage an arrangement by which a coin which the law has made a full legal tender is discredited.

The gross assets of the Government, including the funds held for the redemption of gold, silver, and currency certificates, are 331,981,210 dollars 11 cents, having increased more than 64,000,000 dollars during the last year, and being larger than on the corresponding date in any year since 1878. This increase is due in chief part to deposits on account of silver certificates, which amounted during the year to 45,600,000 dollars. A large share of these certificates was issued for deposits of gold, which directly increased the assets, while, so far as they were issued in payment of demands on the Treasury, they protected the assets to a like extent.

Clearing-house Transactions.

	Dol.	*c.*	*Dol.*	*c.*
Cash paid to the Clearing-house in settlement of balances against the Treasury - -	345,471,775	94		
Less cash received from the Clearing-house in settlement of balances in favour of the Treasury - - - - - - -	5,673,715	22	339,798,060	72
Cheques on banks sent to the Clearing-house - - - -			112,482,515	84
Net amount of cash and cheques sent to the Clearing-house - -			452,280,576	56
Cheques on the Assistant Treasurer, United States, New York, received from the Clearing-house - - - - - - -			452,280,576	56

The Treasury is almost invariably a debtor to the Clearing-house, the aggregate balances against it during the 15 months having been 345,471,775 dollars 94 cents, against balances of only 5,673,715 dollars 22 cents in its favour. The Treasury membership of the Clearing-house has been of great advantage to both the Treasury and the banks in saving the useless handling of money, and in enabling the Treasury to conform to commercial usage by accepting and collecting, without risk, drafts of banks and bankers tendered in payment of public dues and for other purposes.

Gold and Silver, and Coinage of, in the United States.

Total gold and silver coinage and imports, 1881.

The Director of the Mint reports that the imports during the fiscal year 1881 gave to the country 5,836,058 dollars American gold coin, and 91,715,012 dollars foreign coin and bullion, which, added to the estimated production of the precious metals in the different states and territories, amounting to 78,600,000 dollars, has given an addition of altogether:—

	Dollars.
American coin imported - - - - - - - -	5,836,058
Foreign coin and bullion imported - - - - -	91,715,012
American production - - - - - - - - -	78,600,000
	176,151,070

Or, 36,781,472 *l.*

The

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Estimated production of each State and territory.

The estimated production of each State and territory for the fiscal years 1880 and 1881 is as follows:—

State or Territory.	Fiscal Year 1880.			Fiscal Year 1881.		
	Gold.	Silver.	TOTAL.	Gold.	Silver.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
Alaska - - -	6,000	- -	6,000	7,000	- -	7,000
Arizona - - -	400,000	2,000,000	2,400,000	770.000	7,800,000	8,570,000
California - -	17,500,000	1,100,000	18,600.000	19,000,000	870,000	19,870,000
Colorado - - -	3,200,000	17,000,000	20,200,000	3,400,000	15,000,000	18,400,000
Dakota - - -	3,600,000	70,000	3,670,000	4,500,000	60,000	4,560,000
Georgia - - -	120,000	- -	120,000	150,000	- -	150,000
Idaho - - -	1,980,000	450,000	2,430,000	1,930,000	1,100,000	3,030,000
Montana - - -	2,400,000	2,500,000	4,900,000	2,500,000	2,300,000	4,800,000
Nevada - - -	4,800,000	10,900,000	15,700,000	2,700,000	8,860,000	11,560,000
New Mexico - -	130,000	425,000	555,000	120,000	270,000	390,000
North Carolina -	95,000	- -	95,000	75,000	- -	75,000
Oregon - - -	1,090,000	15,000	1,105,000	1,000,000	80,000	1,080,000
South Carolina -	15,000	- -	15,000	18,000	- -	18,000
Tennessee - - -	- -	- -	- -	2,000	- -	2,000
Utah - - -	210,000	4,740,000	4,950,000	200,000	5,710,000	5,910,000
Virginia - - -	10,000	-	10,000	11,000	- -	11,000
Washington - -	410,000	- -	410,000	100,000	- -	100,000
Wyoming - - -	20,000	- -	20,000	7,000	- -	7,000
Other - - -	14,000	- -	14 000	10,000	50,000	60,000
TOTAL - -	36,000,000	39,200,000	75,200,000	36,500,000	42,100,000	78,600,000

At the commencement of the fiscal year 1881 the coinage mints and assay offices held 40,724,337 dollars of uncoined gold bullion. The deposits of 1881, amounting to 130,833,102 dollars, increased the stock of bullion available for coinage to 171,557,440 dollars. The value of the total gold coinage of the year was 78,733,864 dollars, and of the gold bullion uncoined at its close 86,548,696 dollars, a portion of the deposits having been paid in fine bars.

Silver coinage.

The silver coinage amounted to 27,649,966 dollars, of which 27,637,955 dollars were silver dollars, and 12,011 dollars proof silver coins of other denominations.

Gold coinage.

The coinage of gold into smaller denominations than heretofore executed was continued, only 15,345,520 dollars in double eagles having been struck, while the eagles and half-eagles amounted to 63,371,230 dollars.

Number of pieces coined.

The number of pieces and the value of the total coinage were as follows:—

	Pieces.	Value.
		Dols. *c.*
Gold - - - - -	10,111,115	78,733,864 00
Silver - - - - -	27,698,820	27,649,966 75
Minor - - - - -	38,335,665	405,109 95
TOTAL - -	76,145,600	106,788,940 70

The

The comparative values of the coinage of gold, silver, and minor coins executed during the fiscal year and the calendar year 1880 are as follows:—

	Calendar Year, 1880.	Fiscal Year, 1880.
	Dols. c.	*Dols.* c.
Gold - - - - -	62,308,279 00	78,733,864 00
Silver - - - - -	27,409,706 75	27,649,966 75
TOTAL - -	89,717,985 75	106,383,830 75
Minor - - - - -	391,395 95	405,109 95
TOTAL Coinage -	90,109,381 70	106,788,940 70

Coin Circulation of the United States.

Coin circulation in United States.

The total circulation of United States' coin on the 30th June 1881, was 443,077,023 dollars gold, or 92,307,713 *l.*, and 171,534,766 dollars silver, or 35,736,309 *l.*; but the Director of the Mint considers that allowance should be made for use of American coin in the arts to the extent of the sum reported to his Department to have been used by manufacturers, which was for the last fiscal year, in round numbers, 3,300,000 dollars gold and 75,000 dollars silver: thus this would reduce the circulation of United States' gold coin at the close of the fiscal year to about 440,000,000 dollars, and of silver coin to 171,000,000 dollars, or 91,666,666 *l.* and 35,625,000 *l.* respectively.

Gain in coin since 1880.

The following table shows the gain in the coin circulation from the 30th June 1880, to the 30th June 1881, and to October last: —

United States' Coin.	Gold.	Silver.	Total.
	Dollars.	*Dollars.*	*Dollars.*
Circulation, 30 June 1880 - - - -	358,958,691	142,597,020	501,555,711
Coinage, less deposits for recoinage - -	78,293,087	27,642,660	105,935,747
Net import - - - - - - -	5,824,975	1,295,086	7,120,061
Total - - - - - -	443,076,753	171,534,766	614,611,519
Less amount used in the arts - -	3,300,000	75,000	3,375,000
Circulation, 1 July 1881 - - - -	439,776,753	171,459,766	611,236,519
Coinage to 1 November 1881 - - -	26,544,000	9,300,000	35,844,000
Net imports to 1 November 1881 - - -	*2,172,474	310,858	2,483,332
Circulation, 1 November 1881 - - -	468,493,227	181,070,624	649,563,851

* Imports for October at the port of New York only.

Coin held in Treasury and national bank and other banks.

The coin circulation of the country, according to the Reports of the Treasurer for the amount of coin in the Treasury on the 1st November last, and of the Comptroller of the Currency for the amount held by national banks on the 1st

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1st October last, estimated for other banks, appears to have been held by the banks, Treasury, and private parties as follows :—

Held in—	Gold.	Silver.		Total.
		Legal Tender.	Subsidiary.	
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*
Treasury - - - -	76,036,377	*7,737,608	25,984,687	109,758,672
National banks - - -	102,000,369	3,000,000	2,450,387	107,450,756
Other banks - - -	20,000,000	†89,862,392	51,964,926	432,790,572
Private hands - - -	270,963,254			
Total - -	469,000,000	100,600,000	‡80,400,000	650,000,000

* Excess above amount held for payment of outstanding silver certificates.
† Including amount for which silver certificates are outstanding.
‡ Includes 7,000,000 trade dollars.

Values of foreign coin in 1881.

By reason of the decline in the value of silver in 1881, the values of foreign gold and silver coins were modified from those proclaimed in 1880.

The florin of Austria was reduced from 41·3 cents to 40·7 cents; the boliviano of Bolivia from 83·6 cents to 82·3 cents; the milreis of Brazil increased from 54·5 cents to 54·6 cents; the peso of Ecuador reduced from 83·6 cents to 82·3 cents; the rupee of India from 39·7 cents to 39 cents. Japan having adopted the free coinage system for silver, the yen, which was formerly given as 99·7 cents in gold, is now 88·8 cents in silver. The Mexican dollar from 90·9 cents to 89·4 cents; the sol of Perú from 83·6 cents to 82·3 cents; the rouble of Russia from 66·9 cents to 65·8 cents; the mahbub of Tripoli from 74·8 cents to 74·3 cents; the peso of Colombia from 83·6 cents to 82·3 cents; the peso of Cuba was given at 93·2 cents, and the bolivar of Venezuela at 19·3 cents. The monetary unit of Egypt, which formerly was stated as the pound at 4·974 dollars, is now fixed as the piaster, ·049 dollar.

Gold and silver used in arts and manufactures.

The following table is interesting as exhibiting the value and character of gold and silver used in manufactures and the arts in this country during the last fiscal year, as reported by the firms engaged in the manufactures named:

Manufactures.	Number of Letters sent.	Number of Replies.	Number Manufacturing.	Not replying.	GOLD. United States' Coin.	GOLD. Fine Bars.	GOLD. Foreign Coin, Old Jewellery, Native Grains, &c.	GOLD. Total Gold.	SILVER.* United States' Coin.	SILVER.* Fine Bars.	SILVER.* Foreign Coin, Old Plate, &c.	SILVER.* Total Silver.	GRAND TOTAL.
					Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
Instruments - -	197	77	22	120	1,520	522	1,969	4,011	696	1,744	1,188	3,628	7,639
Chemicals - - -	328	142	17	186	4,851	12,031	1,620	18,502	17	351,133	27,188	378,338	396,840
Leaf and Foil - - -	53	28	28	25	95,692	434,927	55,459	586,078	3,336	22,903	4,344	30,583	616,661
Pens - - - -	34	18	9	16	27,111	15,652	3,240	46,003	85	4,027	1,045	5,157	51,160
Plate - - - -	390	159	119	231	56,062	41,269	5,527	102,858	788	1,035,241	46,369	1,082,398	1,185,256
Spectacles - - -	229	98	28	131	10,199	22,232	7,260	39,691	1,443	3,303	1,489	6,235	45,926
Watch Cases - -	48	17	17	31	593,450	1,795,600	39,309	2,428,359	4,312	1,418,985	42,944	1,466,241	3,894,600
Jewellery, &c. - -	5,133	1,900	903	3,238	2,526,997	3,849,084	485,140	6,861,221	61,513	290,096	64,232	415,841	7,277,062
TOTAL - -	6,417	2,439	1,143	3,978	3,315,882	6,171,317	599,524	10,086,723	72,190	3,127,432	188,799	3,388,421	13,475,144

* Silver calculated at its coining value 1 dol. $\cdot 16\frac{4}{11}$ cents per ounce, standard (900 fine).

Jewellery and watch-cases head the list.

Standard Silver Dollars.

Silver dollars coined and remaining in the Treasury.

The total amount of standard silver dollars coined to 30th September last is 98,322,705 dollars, of which 32,373,426 dollars, or nearly 33 per cent., is in circulation, and 65,949,279 dollars remains in the Treasury. Since the close of the fiscal year ended 30th June last, the circulation of silver certificates has still further increased, the amount now outstanding being 64,149,910 dollars, of which 11,309,470 dollars was held by the Treasury. The amount of silver dollars in the Treasury at the close of 1881 was 65,949,279 dollars, less than 2,000,000 dollars in excess of the outstanding certificates. The Treasury pays out the silver certificates because it finds it necessary to utilise in some way the enormous stock of silver which it holds, and they are taken by the public, without regard to the silver dollars behind them, because they constitute a convenient form of currency. This has been found to be very advantageous, as the volume of United States' notes is limited by law, and the national banks do not find a sufficient profit in issuing circulation on United States' bonds at present prices to induce them to supply the demand for additional paper circulation caused by the increase of business. The issue, therefore, of silver certificates, by meeting this demand, has averted what might have proved to be a serious public inconvenience.

Gold Certificates.

Gold certificates issued and redeemed.

The total issued since 1866 amounted to 981,134,880 dollars, and redeemed 975,351,960 dollars; only 5,782,920 dollars remained outstanding at the close of the fiscal year 1881.

Clearing-house Certificates.

Clearing house certificates outstanding.

These certificates outstanding at the close of the fiscal year amounted to only 11,615,000 dollars, the smallest amount since their issue in 1863.

Fractional Silver Coins.

Great demand for fractional coins.

These coins are in great demand, as their transportation to persons applying for them is made free of cost.

Minor Coin.

Demand for minor coin.

More than a million dollars in these coins has gone into circulation within these last two years. If the demand continues at this rate the supply will be exhausted very shortly, and it will be necessary to resume their coinage, which virtually ceased in 1877.

Fractional Currency.

Fractional currency outstanding and redeemed.

Of the 41,508,737 dollars outstanding 7th April 1876, the date of the Act authorising the issue of fractional silver coin in exchange for fractional paper currency, 26,034,293 dollars has been redeemed, and 15,474,444 remains outstanding.

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REPORT by Mr. *Drummond* on the Foreign Commerce of the United States for the Fiscal Year ended the 30th June 1881, with other matters of interest covering the same, and to end of the Calendar Year 1881.

STATEMENT showing the Values of Gold and Silver Coin and Bullion Imported into, and Exported from, the United States during the Year ended 30th June 1881, as compared with like Imports and Exports for the Year ended 30th June 1880.

IMPORTS.

Gold and Silver Coins and Bullion.	Values. Year ended 30 June 1881.	Year ended 30 June 1880.	Increase.	Decrease.
Gold:	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
Bars	29,613,972	16,274,188	13,339,784	—
Bullion	687,480	3,179,567	- -	2,492,087
Dust	697,467	883,690	- -	186,223
Coin :—				
American	7,577,422	18,207,559	- -	10,630,137
Foreign	61,454,918	42,213,392	19,241,526	—
TOTAL Gold	100,031,259	80,758,396	19,272,863	—
Silver:				
Bars	- -	985,083	- -	985,083
Bullion	2,303,472	996,342	1,307,130	—
Coin :—				
American:				
Trade dollars	92,397	783,062	- -	690,665
Other	1,750,053	2,508,401	- -	758,348
Foreign	6,398,316	7,003,026	- -	604,710
TOTAL Silver	10,544,238	12,275,914	- -	1,731,676
TOTAL	110,575,497	93,034,310	17,541,187	—
rought in cars and other land vehicles	2,309,713	2,364,826	- -	55,113
Brought in American vessels	12,458,518	14,770,238	- -	2,311,720
Brought in foreign vessels	95,807,266	75,899,246	19,908,020	—

DOMESTIC EXPORTS.

Gold:				
Bars	2,610	- -	2,610	—
Bullion	82,333	87,066	- -	4,733
Coin	1,741,364	1,687,973	53,391	—
TOTAL Gold	1,826,307	1,775,039	51,268	—
Silver:				
Bars	3,923,598	- -	3,923,598	—
Bullion	7,929,397	6,912,864	1,016,533	—
Coin :—				
Trade dollars	20	43,383	- - -	43,363
Other	547,622	616,607	- - -	68,985
TOTAL Silver	12,400,637	7,572,854	4,827,783	—
TOTAL	14,226,944	9,347,893	4,879,051	—
Carried in cars and other land vehicles	625,464	951,972	- - -	326,508
Carried in American vessels	3,045,681	3,402,566	- - -	356,885
Carried in foreign vessels	10,555,799	4,993,355	5,562,444	—

FOREIGN EXPORTS.

Gold.				
Bullion	2,157	104,204	- - -	102,047
Coin	736,668	1,759,782	- - -	1,023,114
TOTAL Gold	738,825	1,863,986	- - -	1,125,161
Silver.				
Bullion	65,560	324,509	- - -	258,949
Coin	4,375,518	5,606,531	- - -	1,231,013
TOTAL Silver	4,441,078	5,931,040	- - -	1,489,962
TOTAL	5,179,903	7,795,026	- - -	2,615,123
Carried in American vessels	1,989,934	3,486,465	- - -	1,496,531
Carried in foreign vessels	3,189,969	4,308,561	- - -	1,118,592

REPORT by Consul *Booker* on the Trade and Commerce of San Francisco, for the Year 1881.

The exports of gold and silver during the past five years have been as follows:—

YEAR.	To Eastern Ports of the Union.	To England.	To China.	To other Ports.	Total.
	£.	£.	£.	£.	£.
1877 - - - -	7,723,892	- -	3,520,256	304,583	11,548,730
1878 - - - -	4,339,415	5,980	2,336,465	175,620	6,857,480
1879 - - - -	3,188,228	22,970	1,839,510	192,930	5,243,638
1880 - - - -	1,268,750	33,000	734,840	550,920	2,587,510
1881 - - - -	1,245,745	1,940	750,772	372,920	2,371,377

The description of exports in 1881 is given in the following Table:—

	£.
Gold coin - - - - - - - -	1,090,120
Gold dust - - - - - - - -	7,980
Silver bars - - - - - - - -	701,260
„ U.S. coin - - - - - - - -	44,907
Mexican dollars - - - - - - - -	441,960
Other foreign silver coin - - - - - -	4,760
Currency - - - - - - - -	80,390

Of the above, 540,000 *l.* bar silver and the Mexican dollars were sent to China, Japan, and India.

Our imports of treasure have been greater than for some years, amounting to 2,081,300 *l.*, of which 914,160 *l.* came from Mexico, and 790.560 *l.* from Australia.

Mining.

The yield from the gold mines of this State has varied but little for some years, averaging something over 18,000,000 dollars. Had it not been for the temporary suspension of work on the part of the hydraulic mining companies, who were stopped by an injunction from one of the courts in a mining débris suit, the product of 1881 would probably have exceeded the average by 1,000,000 dollars. A suit is now pending at the instance of the county of Sacramento, which will thoroughly ventilate the whole matter in connection with the damage to lands and rivers by the débris of the hydraulic mines carried directly into the rivers by tunnels. Several weeks have been consumed in taking testimony, and the arguments of counsel are now being made; if a decision is reached on the main question, and the suit is not thrown out by some side issue, the whole case will go before the supreme court, and some definite result be reached.

The following dividends have been paid in the year:—

	Dollars.
Black Bear - - - - - - - -	45,000
Bulwer Consolidated - - - - - -	10,000
Gold Stripe - - - - - - - -	65,500
Green Mountain - - - - - - -	100,000
Idaho - - - - - - - - -	263,500
Inyo Consolidated - - - - - - -	35,000
Magalia - - - - - - - - -	15,000
New York Hill - - - - - - -	100,000
Plumas Eureka - - - - - - -	135,469
Plumas Water and Mining - - - - -	7,500
Rising Sun - - - - - - - -	25,875
Sierra Buttes - - - - - - - -	76,250
South Yuba - - - - - - - -	82,500
Spring Valley - - - - - - - -	50,000
Standard - - - - - - - - -	975,000
Yuba - - - - - - - - -	8,000
Dollars	1,994,594

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The assessments were 808,400 dollars, collected from 21 mines.

I referred in my last report to extensive works which had been carried on under the supervision of Government engineers to endeavour to put a stop to the damage done by the débris. Dams had been constructed on the Yuba and Bear rivers for the purpose of holding it, but these were seriously damaged by the floods of last winter, not, however, before proving that the system had a good deal of merit. Nothing further will, however, be done in connection with it until the suit referred to is decided.

Through the courtesy of the United States Mint authorities in furnishing me information in advance of its publication, I am able to give the result of the mining of the different counties of California for the fiscal year ended the 30th June last:—

COUNTIES.	Gold Bullion. Coin Value.	Silver Bullion. Coin Value.	TOTALS.
	Dollars.	*Dollars.*	*Dollars.*
Alpine	1,643	2,096	3,739
Amador	1,561,668	1,172	1,562,840
Butte	349,787	19	349,806
Calaveras	815,724	22	815,746
Colusa	1,251	23	1,274
Del Norte	45,885	- -	45,885
El Dorado	709,884	711	710,595
Fresno	114,307	- -	114,307
Humboldt	32,679	- -	32,679
Inyo	90,710	180,177	270,887
Kern	130,287	450	130,737
Los Angeles	3,978	3,368	7,346
Lassen	42,995	1,406	44,401
Mendocino	650	- -	650
Mono	2,749,712	517,866	3,267,578
Mariposa	141,449	520	141,969
Modoc	29,000	1,500	30,500
Merced	1,230	- -	1,230
Nevada	4,119,305	7,430	4,126,735
Placer	1,236,252	577	1,236,829
Plumas	1,251,917	419	1,252,336
Shasta	233.007	19,805	252,812
Stanislaus	61,553	4,200	65,753
San Diego	68,192	14	68,206
San Bernardino	1,100	7,785	8,885
Santa Barbara	2,000	- -	2,000
Sacramento	306,058	- -	306,058
Siskiyou	567,719	100	567,819
Sierra	1,156,152	1,039	1,157,191
Tuolumne	366,356	375	366,731
Trinity	330,732	643	331,375
Tular	3,847	36	3,883
Tehama	91	- -	91
Ventura	600	- -	600
Yuba	949,603	5,772	955,375
Add for unreported small producers, mostly Chinese	500,000	- -	500,000
TOTAL	17,977,323	757,525	18,734,848

Calaveras, El Dorado, Mono, Nevada, Placer, Plumas, and Sierra counties produced a million more than in 1880; with the exception of Mono county the result was due mainly to hydraulic and drift mining. Mono county has been increasing its production from quartz mining since 1877, the total product amounting to about 12,000,000 dollars. The quartz mining interests of Nevada county are in a very encouraging condition. In Nevada township there are about 200 stamps at work, and more are being added. In this county is the celebrated Idaho mine, which has been paying regular monthly dividends for 13 years, aggregating 3,101,550 dollars, out of a gross product of 6,780,295 dollars. The yield of the silver mines of Nevada in 1881 fell off over 3,000,000 dollars, amounting to about 12,000,000 dollars, of which 1,726,000 dollars was the

the product of the mines of the Comstock lode, a large proportion of which was from the working of "tailings." The celebrated Consolidated Virginia and California mines only turned out 266,246 dollars; 144,064 dollars were from the Consolidated Virginia, the ore yielding 21 dollars 13 cents per ton, and 122,182 dollars from the California, the ore yielding 19 dollars 77 cents per ton. The Comstock lode, which has attracted the attention of the whole mining world for many years, appears to have practically given out, all the working of the past two years having failed to find any ore deposit of value. According to the returns made to the United States Mint, the product of the State for the fiscal year ending the 30th June was 10,311,610 dollars.

The following table gives the amount of precious metals produced in the different mining districts of the State in 1881 :—

——	Gold Bullion.	Silver Bullion.	——	Gold Bullion.	Silver Bullion.
	Dollars.	*Dollars.*		*Dollars.*	*Dollars.*
The Comstock	-	1,726,762	Lewis	-	71,830
Aurora	3,325	2,500	Mill City	7,293	1,710
Austin	-	1,026,005	Morey	-	32,581
Belleville	-	1,466,350	Palisade	-	355
Belmont	-	5,483	Paradise	-	49,798
Beowawe	-	148,887	Pioche	-	72,316
Bristol	-	31,862	Reno	29,937	44.108
Carson	2,898	5,077	Rye Patch	17,994	7,000
Cherry Creek	-	375,440	Tuscarora	6,515	480,792
Columbus	-	2,106	Tybo	-	73,402
Elko	12,814	—	Unionville	631	905
Eureka	-	1,808,205	Ward	10,140	19,196
Franktown	-	17,330	Washoe	765	—
Genoa	1,550	—	Winnemucca	-	20,182
Grantsville	-	334,636			
Hamilton	-	30,856			
Hawthorne	1,630	—	TOTAL	95,492	7,855,574

The above yield represents that of gold and silver only; the base bullion yield is given below :—

——	Gold.	Silver.	Lead.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*
Austin	-	18,889	-	18,889
Carson	379,013	278,458	-	657,471
Columbus	-	25,000	-	25,000
Eureka	1,348,983	-	970,077	2,319,060
Grantsville	-	540	-	540
Hamilton	-	456,692	-	456,692
Mill City	-	35,363	-	35,363
Pioche	13,544	129,005	210,575	353,124
Tecoma	-	3,761	-	3,761
Unionville	-	21,680	-	21,680
Ward	-	4,968	-	4,968
TOTAL	1,741,540	974,306	1,180,652	3,896,498

The dividends paid by the incorporated companies amounted to 1,682,083 dollars received from nine mines. The assessments amounted to 7,532,510 dollars, of which 5,355,800 dollars were for the working of 54 mines of the Comstock lode.

The following report of Messrs. Wells, Fargo, and Company, who have means

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through their express business of collecting reliable statistics in regard to the yield of the precious metals, will be found interesting:—

"The following is a copy of our annual statement produced in the States and territories west of the Missouri river (including British Columbia, and receipts in San Francisco by express from the West Coast of Mexico) during 1881, which shows aggregate products as follows:—Gold, 31,869,686 dollars; silver, 45,077,829 dollars; lead, 6,361,902 dollars; copper, 1,195,000 dollars; total gross result, 84,504,417 dollars.

"California shows a decrease in gold of 579,069 dollars and an increase in silver of 323,582 dollars. Nevada shows a total falling off of 3,184,057 dollars; the yield from the Comstock being only 1,726,162 dollars, as against 5,312,592 dollars in 1880, a decrease of 3,586,430 dollars. The product of Eureka district is 4,127,265 dollars, as against 4,639,025 dollars in 1880, a decrease of 511,760 dollars. Utah shows an increase of 860,335 dollars. Colorado shows an increase of 1,672,171 dollars; and Arizona, 3,726,295 dollars, over our report of last year."

STATEMENT of the Amount of PRECIOUS METALS produced in the States and Territories West of the Missouri River, including British Columbia (and Receipts in San Francisco by Express from the West Coast of Mexico), during the Year 1881.

STATES AND TERRITORIES.	Gold Dust and Bullion by Express.	Gold Dust and Bullion by other Conveyances.	Silver Bullion by Express.	Ores and Base Bullion by Freight.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
California	16,349,216	317,460	548,582	305,421	18,020,679
Nevada	95,492	- -	7,855,574	3,896,498	11,847,564
Oregon	560,931	580,000	48,684	- -	1,189,615
Washington	67,309	33,654	- -	- -	100,963
Alaska	- -	13,000	-	- -	13,000
Idaho	1,046,548	410,000	370,540	1,007,386	2,834,474
Montana	1,136,290	227,258	2,305,723	689,800	4,359,071
Utah	99,959	10,336	3,563,610	3,637,383	7,311,288
Colorado	1,907,160	- -	2,820,000	18,230,000	22,957,160
New Mexico	32,944	- -	77,000	705,000	814,944
Dakota	3,225,950	325,000	- -	- -	3,550,950
Arizona	396,697	132,232	6,278,895	1,390,942	8,198,766
Mexico (West Coast)	343,127	- -	1,699,216	391,000	2,433,343
British Columbia	757,600	115,000	- -	- -	872,600
TOTAL	26,019,223	2,663,940	25,567,824	30,253,430	84,504,417

The bullion from the Comstock contained 47·54 per cent. gold, and 52·46 per cent. silver. Of the so-called base bullion from Nevada, 44·70 per cent. was gold; and of the whole product, 26·53 per cent. was gold.

The gross yield for 1881 shown above, segregated, is approximately as follows:—

ARTICLES.	Per Cent.	Dollars.
Gold	37·71	31,869,686
Silver	53·35	45,077,829
Lead	7·53	6,361,902
Copper	1·41	1,195,000
TOTAL	- -	84,504,417

ANNUAL PRODUCTS of LEAD, COPPER, SILVER, and GOLD, in the States and Territories West of the Missouri River, 1870-1881.

YEAR.	Products as per Wells, Fargo, and Co.'s Statements, including Amounts from British Columbia and West Coast of Mexico.	Product after Deducting Amounts from British Columbia and West Coast of Mexico.	The Net Product of the States and Territories West of the Missouri River, exclusive of British Columbia and West Coast of Mexico, divided, is as follows :—			
			Lead.	Copper.	Silver.	Gold.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
1870 - - -	54,000,000	52,150,000	1,080,000	- -	17 320,000	33,750,000
1871 - - -	58,284,000	55,784,000	2,100,000	- -	19,286,000	34,398,000
1872 - - -	62,236,959	60,351,824	2,250,000	- -	19,924,429	38,177,395
1873 - - -	72,258,693	70,139,860	3,450,000	- -	27,483,302	39,206,558
1874 - - -	74,401,045	71,965,610	3,800,000	- -	29,699,122	38,466,488
1875 - - -	80,889,057	76,703,433	5,100,000	- -	31,635,239	39,968,194
1876 - - -	90 375,173	87,219,859	5,040,000	- -	39,292,924	42,886,935
1877 - - -	98,421,754	95,811,582	5,085,250	- -	45,846,109	44,880,223
1878 - - -	81,154,622	78,276,167	3,452,000	- -	37,248,137	37,576,030
1879 - - -	75,349,501	72,688,888	4,185,769	- -	37,032,857	31,470,262
1880 - - -	80,167,936	77,232,512	5,742,390	898,000	38,033,055	32,559,067
1881 - - -	84,504,417	81,198,474	6,361,902	1,195,000	42,987,613	30,653,959

REPORT by Mr. *West* on the Production of the Precious Metals in the United States, Census Year 1880.

The mines in the United States are classified as follows :—

1. Mines of free gold, or gold alloyed with a small portion of silver.

2. Mines of silver ores containing only traces of gold.

3. Mines yielding doré bullion from milling ores containing both gold and silver in appreciable quantities.

4. Mines yielding base bullion from smelting ores in which the precious metals are associated with larger quantities of lead and copper.

Placer or gravel mines are workings in secondary or fragmentary gold deposits, including gravels and sands, and are either surface or shallow workings.

The mining district is divided into three divisions, namely :—

1. The Pacific division, which comprises California, Nevada, Utah, Arizona, Idaho, Oregon, Washington Territory, and Alaska.

2. The Rocky Mountains division, which comprises Colorado, Dakota, Montana, New Mexico, and Wyoming.

3. The Eastern division, which comprises Alabama, Georgia, Maine, New Hampshire, North Carolina, South Carolina, and Virginia.

In productions of gold California holds the first place.

It furnishes 71·47 per cent. of the total placer product of the United States, and 40·09 per cent. of the total product of the deep mines, or 51·38 per cent. of the total gold product of the country (from all sources).

The yield of silver is only 2·80 per cent. of the total in proportion to the area ; the yield of gold averages 180 dollars 30 cents per square mile, and that of silver, 6 dollars 84 cents per square mile. The average yield per head of both the precious metals is 21·09.

The total quantity of ore raised during the census year from deep mines was 544,241 tons, of which the assay value was 11,796,287 dollars, and from placer mines 415,105 ounces, value 8,580,989 dollars.

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Nevada.—The product of Nevada represents an average of 44 dollars 16 cents gold, 112 dollars 29 cents silver, for each square mile of its area. Its annual product, if distributed per head, would give 78 dollars 51 cents gold, and 199 dollars 63 cents silver, to every man, woman, and child within its borders.

Ore raised, 356,052½ tons; assay value, 20,183,396 dollars; placer mines, 50,000 dollars.

Utah.—In this State there are 535 deep mines, 1 placer mine, 18 amalgamating mills, and 34 smelting works, from which the Returns are taken.

Ore raised, 154,827·78 tons; assay value, 6,450,051 dollars.

Arizona.—Ore raised, 48,252·50 tons; assay value, 4,723.638 dollars; placer mines, 1,451·2 ounces, or 30,000 dollars.

Idaho.—The Returns from this State come from 369 deep mines, 14 placer mines, 18 amalgamating mills, 2 arrastras, and 2 smelting works. Idaho furnishes 7·32 per cent. of the placer output of the United States, 2·81 per cent. of the deep mine gold, 4·43 per cent. of the total gold, 1·13 per cent. of the silver, and 2·60 per cent. of the entire product of the precious metals in the whole country. The average yield per square mile is 17 dollars 45 cents gold, and 5 dollars 30 cents silver; and per head, 45 dollars 38 cents gold, and 13 dollars 78 cents silver.

Ore raised, 35,825·50 tons; assay value, 1,916,363 dollars; placer mines, 42,352·8 ounces; value, 879,645 dollars.

Oregon.—The production in this State is 7·75 per cent. of the placer gold, 80 per cent. of the deep mine gold, 3·29 per cent. of the total gold, and only ·07 of the total silver. The average yield per square mile is 11 dollars 43 cents gold, 20 cents silver. The product per head is 6 dollars 28 cents gold, and 11 cents silver.

Ore raised, 14,687 tons; assay value, 312,922 dollars; placer mines, 44,811·5 ounces; value, 926,336 dollars.

Washington Territory.—Ore raised, 537 tons; assay value, 22,037 dollars; placer mines, 5,756·6 ounces; value, 119,000 dollars.

Alaska.—This vast territory is still an unexplored region, and little is known of its mining resources. The Takou gold district is, however, stated to have yielded 150,000 dollars in 1881.

Division of the Rocky Mountains.

Colorado.—Mining statistics for this State are difficult to obtain. In relation of productions to area, however, it holds the first place both for gold and silver combined, and for silver alone.

Ore raised, 356,360 tons; assay value, 22,786,717 dollars; placer mines, 4,921·9 ounces; value, 101,745 dollars; value of crude lead, 886,233 dollars; value of crude copper, 631,200 dollars.

Dakota.—Ore raised, 536,748 tons; assay value, 4,317,793 dollars; placer mines, 2,307·5 ounces; value, 50,000 dollars.

Montana.—Ore raised, 114,800 tons; assay value, 6,044,912 dollars; placer mines, 56,255·6 ounces; value, 1,162,908 dollars.

New Mexico.—Ore raised, 10,486·5 tons; assay value, 861,309 dollars. No gold obtained from placer mines.

Eastern Division.

Alabama.—Ore raised and treated, 124 tons; gold bullion produced, 1,300 dollars.

Georgia.—Ore raised, 2,792 tons; assay value, 1,255 dollars; placer mines, 3,234·5 ounces; value, 66,863 dollars.

Maine.—Ore raised, 2,250 tons; assay value, 65,768 dollars.

New

New Hampshire.—Ore raised and treated, 2,183 tons; bullion produced, 27,000 dollars.

North Carolina.—Ore raised, 35,786 tons; assay value, 414,400 dollars; placer mines, 226·7 ounces; value, 4,687 dollars.

South Carolina.—Bullion produced, 314·4 ounces; value, 6,500 dollars. Placer mines, 316·4 ounces; value, 6,541 dollars.

Virginia.—Ore raised, 164 tons; assay value, 3,734 dollars.

The relative quota contributed by each of the three great divisions is as follows:—

Pacific.—75·68 per cent. gold; 51·43 per cent. silver; 62·43 per cent. of the total.

Rocky Mountains.—23·60 per cent. gold; 48·45 per cent. silver; 37·18 per cent. of the total.

Eastern Division.—0·72 per cent. gold; 0·12 per cent. silver; 0·39 per cent. of the total.

The reported yield of the mines of the Western States and Territories, together with that from British Columbia, for the calendar year 1881, was 76,947,515 dollars, viz., 31,869,686 dollars gold, and 45,077,829 dollars silver.

In fact, the estimates of the yield subsequent to the Census period indicate an actual and considerable gain.

REPORT by Mr. *Saurin* on the Finances of the United States for the Year ended 30th June 1882.

Amount of currency held by national banks.

THE total paper currency on the 1st November 1882 was 709 million dollars, and of these legal tender notes, restricted by law to 382 millions, represented 346 against 362 million dollars' worth of national bank-notes. At the same date the national banks held no less than 100 millions of gold and silver coin, or more than one-eighth of the coin in the country, and received as depositaries during the fiscal year over 140 millions of public moneys out of the 540 millions which constituted the gross receipts of the Government.

Deposits of Government money.

These deposits would be much larger were not the Treasury compelled by law to hold the customs receipts as well as the sums deposited for redemption of national bank-notes, the latter alone amounting to 50,000,000 dollars in specie.

Circulating medium of the United States,

The total amount of the circulating medium of the country on the 1st November is given as follows:—

	Dollars.
Treasury notes outstanding - - - -	346,681,016
National Bank notes outstanding - - -	362,727,747
Gold in the Treasury, less certificates held by the banks.	148,435,473
Standard silver dollars in the Treasury - -	92,414,977
Subsidiary silver coin and silver bullion in the Treasury.	30,761,985
Coin in the national banks - - - - -	102,362,063
Coin in State and savings banks - - - -	17,892,500
Estimated amount of coin held by the people -	387,562,793
TOTAL - - -	1,488,838,554

The estimated total currency of the country on the 1st November thus appears to have been more than 1,488 millions, which is 433 millions in excess of the amount held on the 1st January 1879, and 186 millions in excess of the amount held two years ago, on the 1st November 1880. The gain in gold coin since the resumption of the specie payments has been 288 millions, and in gold and silver coin 394 millions. The increase in national bank notes has been nearly 39 millions.

No change has been made in the amount of legal tender notes outstanding. It remains at 346,681,016 dollars, which was the amount outstanding at the

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date of the passage of the Act of the 31st May 1878, which prohibited any further reduction of the volume of these notes.

Coin circulation.

On the 1st October 1882, the total coin circulation was as follows:—

	Gold.	Silver.	Total.
	Dollars.	*Dollars.*	*Dollars.*
Circulation 1 July 1882 - - - -	500,882,185	199,573,360	700,455,545
Coinage to 1 October 1882 - - - -	13,339,863	6,915,185	20,255,048
Excess of imports over exports to 1 October 1882 - - - - - - - -	- -	121,225	121,225
Total - - -	514,222,048	206,609,770	720,831,818
Less excess of exports over imports* - -	2,031,012	- -	2,031,012
Circulation 1 October 1882 - - - -	512,191,036	206,609,770	718,800,806

* All ports for July and August, only New York and San Francisco for September.

Besides this amount of gold and silver coin, there was in the mints and assay offices on the 1st October, deposited or purchased for coinage, gold bullion of the value, approximately, of 51,440,420 dollars, and silver bullion costing 3,343,565 dollars, making a total of coin and bullion belonging to the United States and awaiting coinage, of gold, 563,631,456 dollars, and of silver, 209,953,335 dollars, a total of 773,584,791 dollars.

Large amount held by Treasury.

The amount of gold and silver coin and bullion held by the Treasury would appear excessive, and as likely to hinder the natural movement of the circulating medium. After deducting about 60 millions, which represent the issue of silver dollar certificates, over 30 millions in silver dollars alone still remain, and this amount must go on increasing so long as Congress refuse to repeal the law requiring an average monthly production of these coins to the amount of 2 millions. The result has been that, with the exception of about 3,000,000 dollars, the whole of the 27 millions coined in the fiscal year 1881-82 has remained in the Treasury coffers.

Gold certificates.

By an Act of the 12th July 1882, the issue of gold certificates was authorised, and it is anticipated that these will displace the silver certificates, which are payable in a coin worth but 88 per cent. of its nominal value. The total circulation of the United States in gold coin, on the 1st July 1882, is estimated at 500,000,000 dollars, the excess of exports over imports for the year having been 25 millions. In silver coin the total at the same date is estimated at 200,000,000 dollars, with an excess of imports over exports of 517,778 dollars. The following is a statement of coinage from the organisation of the mint to the close of the fiscal year ended the 30th June 1882:—

Coinage.

GOLD COINAGE.

PERIOD.	Double Eagles.	Eagles.	Half Eagles.	Three Dollars.	Quarter Eagles	Dollars.	Total.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dol.* c.	*Dollars.*	*Dol.* c.
1793 to 1848 - - - -	- - -	25,662,270	45,265,355	- - -	5,413,815 00	- - -	76,341,440 00
1849 to 1873 - - - -	646,727,980	29,851,820	22,994,390	1,169,913	20,804,702 50	19,015,633	740,564,439 50
1874 - - - - -	48,283,900	383,480	809,780	125,460	516,150 00	323,920	50,112,690 00
1875 - - - - -	32,748,140	599,840	203,655	60	2,250 00	20	33,553,965 00
1876 - - - - -	37,896,720	153,610	71,800	135	53,052 50	3,645	38,178,962 50
1877 - - - - -	43,941,700	56,200	67,835	4,464	5,780 00	2,220	44,078,199 00
1878 - - - - -	51,406,340	155,490	688,680	137,850	408,900 00	1,720	52,798,980 00
1879 - - - - -	37,234,340	1,031,440	1,442,130	109,182	1,166,800 00	3,020	40,986,912 00
1880 - - - - -	21,515,360	18,836,320	15,790,860	9,090	3,075 00	3,030	56,157,735 00
1881 - - - - -	15,345,520	33,389,050	29,982,180	4,698	9,140 00	3,276	78,733,864 00
1882 - - - - -	14,563,920	44,369,410	30,473,955	75	62 50	6,025	89,413,447 50
TOTAL - - -	949,663,920	154,488,930	147,790,620	1,560,927	28,383,727 50	19,362,509	1,301,250,633 50

Silver Coinage.

Period.	Trade Dollars.	Dollars.	Half Dollars.	Quarter Dollars.	Twenty Cents.	Dimes.	Half Dimes.	Three Cents.	Total.
	Dollars.	*Dollars.*	*Dol.* *c.*	*Dol.* *c.*	*Dollars.*	*Dol.* *c.*	*Dol.* *c.*	*Dol.* *c.*	*Dol.* *c.*
1793 to 1852	- -	2,506,890	66,249,153 00	3,993,040 50	- -	3,890,062 50	1,823,298 90	744,927 00	79,213,371 90
1853 to 1873	- -	5,538,948	33,596,082 50	18,002,178 00	- -	5,170,733 00	3,083,648 00	536,923 20	65,928,512 70
1874	- -	3,588,900	- -	1,438,930 00	458,515 50	- -	497,255 80	- -	- -	5,983,601 30
1875	- -	5,697,500	- -	2,853,500 00	623,950 00	5,858	889,560 00	- -	- -	10,070,368 00
1876	- -	6,132,050	- -	4,985,525 00	4,106,262 50	263,560	3,639,105 00	- -	- -	19,126,502 50
1877	- -	9,162,900	- -	9,746,350 00	7,584,175 00	1,440	2,055,070 00	- -	- -	28,549,935 00
1878	- -	11,378,010	8,573,500	3,875,255 00	3,703,027 50	142	760,891 00	- -	- -	28,290,825 50
1879	- -	- -	27,227,500	225 00	112 50	- -	45 00	- -	- -	27,227,882 50
1880	- -	- -	27,933,750	3,275 00	3,837 50	- -	1,575 00	- -	- -	27,942,437 50
1881	- -	- -	27,637,955	4,677 50	3,638 75	- -	3,695 50	- -	- -	27,649,966 75
1882	- -	- -	27,772,075	5,537 50	3,268 75	- -	2,507 50	- -	- -	27,783,388 75
Total	- -	35,959,360	127,100,618	122,758,510 50	38,488,006 50	271,000	16,910,500 30	4,906,946 90	1,281,850 20	347,766,792 40

Minor Coin.

Period.	Five Cents.	Three Cents.	Two Cents.	Cents.	Half Cents.	Total.
	Dol. *c.*	*Dol.* *c.*	*Dollars.*	*Dol.* *c.*	*Dol.* *c.*	*Dol.* *c.*
1793 to 1873	- -	5,276,140 00	805,350 00	912,020	4,886,452 44	39,926 11	11,919,888 55
1874	- - - -	244,350 00	29,640 00	- -	137,935 00	- -	411,925 00
1875	- - - -	94,650 00	12,540 00	- -	123,185 00	- -	230,375 00
1876	- - - -	132,700 00	7,560 00	- -	120,090 00	- -	260,350 00
1877	- - - -	25,250 00	- -	- -	36,915 00	- -	62,165 00
1878	- - - -	80 00	48 00	- -	30,566 00	- -	30,694 00
1879	- - - -	1,175 00	984 00	- -	95,639 00	- -	97,798 00
1880	- - - -	1,247 50	982 50	- -	267,741 50	- -	269,971 50
1881	- - - -	177 75	32,416 65	- -	372,515 55	- -	405,109 95
1882	- - - -	220,038 75	104 25	- -	424,614 75	- -	644,757 75
Total	- - -	5,995,809 00	889,625 40	912,020	6,495,654 24	39,926 11	14,333,034 75

Consumption of precious metals.

The consumption of the precious metals for the arts is estimated for the fiscal year 1882 to have exceeded 12,000,000 dollars in gold and 7,000,000 dollars in silver, of which 7,000,000 dollars in gold and 6,000,000 dollars in silver were of domestic production.

During the same year the total production of the precious metals in the United States may be approximately estimated at 31,500,000 dollars for gold, and 44,700,000 dollars for silver. In the former metal there has been a falling off of about 3,000,000 dollars, apparently due to diminished production in the States on the Pacific slope. In the latter there has been a net gain over the production of the preceding year of about 1,700,000 dollars.

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The foreign commerce of the United States during the last fiscal year, including imports and exports of merchandise and specie, was as follows:—

	Dollars.
Exports—	
Merchandise	750,542,257
Specie	49,417,479
	799,959,736
Imports—	
Merchandise	724,639,574
Specie	42,472,390
	767,111,964
Imports and exports during the year ended 30 June 1882	1,567,071,700
Imports and exports during the year ended 30 June 1881	1,675,024,318
Decrease	107,952,618

REPORT by Consul General *Booker* on the Trade, Navigation, and Commerce of New York for the Year 1882.

Gold and Silver Production of the United States.

The report of the directors of the Mint for 1882 shows that the decrease in the gold yield of the United States, which set in four or five years ago, still continues. From 51,000,000 dollars in 1878, which was the highest figure reached preceding that year, the production fell to 38,000,000 dollars in 1879, 36,000,000 dollars in 1880, 34,000,000 dollars in 1881, and 32,000,000 dollars in 1882. This falling-off is attributed to an interference with mining operations due to various causes, rather than to any exhaustion of the mines themselves. There was also a decline in the production of silver in 1879 and 1880, but this was followed by a marked increase during the next two years. The annual yield, which fell from 45,000,000 dollars in 1878 to 40,000,000 dollars in 1879, and 37,000,000 dollars in 1880, rose to 43,000,000 dollars in 1881, and nearly 47,000,000 dollars in 1882, which, according to the Mint reports, is the greatest annual production yet reached by the silver mines of the United States.

The Silver Question.

The Chamber of Commerce of New York in its last annual report makes the following observation in regard to this matter:

"It will be difficult to find in the annals of financial legislation a more peculiar and unfortunate act than that part of the law passed in February 1878, compelling the purchase of silver bullion by the United States Treasury, and its coinage by the mints in silver dollars of 412½ grains standard weight at the rate of 2,000,000 dollars monthly. In the first place, it took no account of the increased production of silver, the diminishing production of gold, and the consequent rapid divergence of silver from standard value; in the second, of the well-known fact that no country has succeeded in maintaining as large a silver coin as the dollar in extensive circulation; and thirdly, its failure, by concomitant legislation, to make a place for silver in the circulating medium by the withdrawal of bills under five dollars, both from the National Bank circulation and the Government issues.

"The general arguments were carefully set forward in the memorial adopted by the Chamber. The practical argument needs no demonstration. On the 30th September 1878 there were in the United States Treasury (in round numbers) 12,000,000 of standard dollars; on the 31st of October 1882 there were 93,000,000. Congress showed its power to legislate this amount of silver into

into the Treasury, but it has shown no financial ability to legislate it out of the Treasury into circulation. So long as there is no scarcity of legal tenders, either of the true substance gold, or of its paper equivalent, either in fact or law, it may be accepted as a certainty that no substance which requires a horse and cart to effect its legal tender, in even moderate sums, will ever be in special favour."

REPORT by Consul *Stanley* on the Trade and Commerce of California for the Year 1883.

The following Statement, compiled by Mr. John Valentine, Vice-President of Wells, Fargo, and Company, shows the production of precious metals in the States west of the Missouri River, inclusive of British Columbia and the West Coast of Mexico :—

STATEMENT showing the Production of Precious Metals in States West of Missouri River, including West Coast of Mexico and British Columbia.

STATES AND TERRITORIES.	Gold Dust and Bullion.	Silver Bullion and Ores, and Base Bullion.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
California - - - - - - - -	13,841,297	1,832,017	15,673,314
Nevada - - - - - - - -	1,097,595	7,674,026	8,771,621
Oregon - - - - - - - -	581,890	11,090	592,980
Washington - - - - - - -	63,175	351	63,526
Alaska - - - - - - - -	105,000	- -	105,000
Idaho - - - - - - - - -	1,293,582	2,512,245	3,805,827
Montana - - - - - - - -	2,499,000	7,380,000	9,879,000
Utah - - - - - - - - -	31,170	6,986,512	7,017,682
Colorado - - - - - - - -	2,341,692	21,968,308	24,310,000
New Mexico - - - - - - -	173,642	3,239,877	3,413,519
Arizona - - - - - - - -	490,686	7,693,057	8,183,743
Dakota - - - - - - - -	2,693,000	130,000	2,823,000
West Coast of Mexico - - - - -	767,836	4,254,548	5,022,384
British Columbia - - - - - -	652,016	- -	652,016
		TOTAL - - -	90,313,612

The productions for the last 10 years have been as follows, exclusive of that from Mexico and British Columbia:—

YEARS.	Gold.	Silver.	Lead.	Copper.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
1874 - - - -	38,466,488	29,699,122	3,800,000	- -	71,965,610
1875 - - - -	39,968,194	31,635,239	5,100,000	- -	76,703,433
1876 - - - -	42,886,935	39,292,924	5,040,000	- -	87,219,859
1877 - - - -	44,880,223	45,846,109	5,085,250	- -	95,811,582
1878 - - - -	37,576,030	37,248,137	3,452,000	- -	78,276,167
1879 - - - -	31,470,262	37,032,857	4,185,769	- -	72,688,888
1880 - - - -	32,559,069	38,033,053	5,742,390	898,000	77,232,512
1881 - - - -	30,653,959	42,987,613	6,361,902	1,195,000	81,198,474
1882 - - - -	29,011,318	48,133,039	8,008,155	4,055,037	89,207,549
1883 - - - -	27,816,640	42,975,101	8,163,550	5,683,921	84,639,212

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Treasure was exported as follows:—

	1882.	1883.
	Dollars.	*Dollars.*
To New York by rail - - -	4,234,125	1,569,743
China - - - - -	4,634,423	9,595,188
Japan - - - - -	830,608	708,977
India - - - - -	533,800	—
Hawaian Islands - - -	54,350	356,753
Other countries - - -	95,988	68,430
TOTAL - - -	10,383,294	12,299,091

REPORT by Mr. *West*, Her Majesty's Envoy Extraordinary and Minister Plenipotentiary at Washington, on the Coinage and Circulation of Trade Dollars in the United States.

THE coinage of the trade dollar was authorised by the Act of Congress on the 12th February 1873, cap. 131, secs. 13 and 15. Its weight was fixed at 420 grains, and the nominal value was 100 cents, and it was to be a legal tender for any amount not exceeding five dollars in any one payment. It was, however, coined as a mere convenience for use in trade with China as a substitute for Mexican dollars, which had been formerly used, and which were eagerly taken by Chinese merchants, who, in fact, at last succeeded in absorbing the whole of the old Spanish silver coinage.

The trade dollar was meant to compete with the Mexican dollar, and was therefore made more valuable by two mills per piece. At the time of the passage of the Act authorising the coinage of trade dollars, silver bullion was worth, in London, about $59\frac{15}{16}$ *d.* per ounce, British standard, at which rate the bullion or intrinsic value of a trade dollar, was $103_{\frac{47}{100}}$ cents in gold. Fluctuations, however, in the value of silver were not so great at that time as in subsequent years, and, taking the average value for the year 1873, the trade dollar was intrinsically worth $102_{\frac{3}{10}}$ cents in gold. This fact alone was sufficient to keep these coins effectually out of circulation, and insured their use for the purpose for which they were intended.

The Act above mentioned made them legal tender in sums not exceeding five dollars in any one payment, but, as the price of silver continued to fall rapidly, and as trade dollars were circulating to a considerable extent on the Pacific Coast, Congress demonetized them in 1876; and in 1878 a Treasury Circular declared that the "United States' trade dollar is not a legal tender, and therefore has only a bullion value."

At the time of the demonetization silver had fallen to the lowest price on record, and the bullion value of the trade dollar was only $80_{\frac{7}{10}}$ cents in gold. At the end, however, of the year (1876) the price of silver again rose, and the trade dollar was worth 101 cents in gold. Under the Coinage Act (1873) these dollars could be coined for depositors of silver bullion at the mints, and a charge was imposed for coinage at a rate not exceeding the actual cost to the Government of manufacture. Any owner of silver bullion, therefore, could have the same coined into trade dollars. They were, therefore, not issued or paid out by the Government in payment of obligations or exchanged for other money.

The standard silver dollar and silver fractional coins are, on the other hand, coined from bullion, purchased by the Government for that purpose, and on its own account, and are not coined for depositors, differing in this respect from the trade dollars. The Government, in fact, authorised a coinage for the circulation of which it did not hold itself responsible, and which they subsequently sought to restrict by declaring it not to be a legal tender. The dollars, however, were in circulation, and the holders of silver bullion therefore were by no means inclined to lose this method of utilising it as long as it was possible for them to

do

do so, and thus, until quite lately, the trade dollar has maintained itself, more or less, as a circulating medium.

Of the 35,000,000 trade dollars coined under the Act, 32,000,000 were exported on account of Chinese trading transactions, 700,000 of which came back, so that it is estimated that there may be nearly 4,000,000 at present in the United States.

The trade dollar is of greater intrinsic value than the standard dollar, which contains 7½ grains less silver of the same fineness, its weight being 412·5 grains as against 420 grains to the standard dollar. The present value of silver is $50\frac{1}{16}$ *d.* an ounce, so that the intrinsic value of the standard dollar of 412½ grains is ·8493, while that of the trade dollar of 420 grains is ·8652; but the par value of the standard dollar is maintained by the fact that it is a legal tender interchangeable with greenbacks or gold, whereas the trade dollar has now no status in law, save that of a stamped ingot worth just what the metal in it will bring.

According to London quotations for silver, the trade dollar is worth a fraction less than 87½ cents, but the late outcry against its continued circulation has reduced its value to 85 cents in this country, and it is generally refused in payment by all banking and commercial houses. It is urged, therefore, that the Government should redeem this coinage, which it could easily do at a profit which would accrue from the 7½ grains superior value, or else recoin it and turn it into standard dollars. The reluctance hitherto manifested by Congress to adopt either of these courses, arises probably from the desire not to add to the vast accumulation of silver dollars, which has of late years been going on, and which now amounts to upwards of 100,000,000 dollars; increasing, moreover, by the coinage at the rate of 2,000,000 dollars a month; but the necessity of some decided action being taken by the next Congress, in view of the impending danger to the circulating medium of the country, is strongly insisted on apart from the question of the trade dollar. The danger alluded to, and which would hardly be increased by an additional 4,000,000 dollars of trade dollars converted into standard dollars, consists in forcing on the country something for money, dollar for dollar, which is to-day at a discount of 15 per cent., and steadily declining in value. The depletion of gold has been the consequence of this accumulation of useless silver, and, should the bountiful harvests and large foreign demand suddenly cease, it is evident that a serious financial crisis must ensue.

The evil has grown out of the protection demanded by the owners of silver mines, who, linked with other interests, have hitherto exercised irresistible influence in maintaining the silver-coinage system.

The currency needs of the country are not sufficient to absorb the amount of silver which has already been coined, and the results of the present system are shown by Mr. David A. Wells to be as follow:—

1. An expenditure of at least 24,000,000 dollars a-year for silver bullion alone.

2. An annual loss of interest on the coins hoarded in the Treasury vaults, which, at 3 per cent., amounts to about 1,800,000 dollars, or the profits, assumed at 20 cents per bushel, of 9,000,000 bushels of wheat.

3. As the cost of these coins is defrayed by taxation, they represent some 60,000,000 dollars in value of industrial products of the country withdrawn from the channels of domestic trade or foreign commerce.

4. The loss which must occur through the derangement of the currency, which is inevitable if the present policy is much longer continued, a loss which cannot be forecast in figures smaller than hundreds of millions.

REPORT of the Director of the Mint upon the Statistics of the production of Precious Metals in the United States for 1882.

THE mines of the United States in the calendar year 1882 produced nearly two and a fourth million dollars less in gold, and over three and three-fourth millions more in silver, than in the previous year. The comparative decline in the production of gold was greater in the State of California than in any other State or Territory, and resulted partly from a diminished yield, but more

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especially from the interruption of hydraulic mining in some of the counties which heretofore have been the largest producers in the State.

The history of gold mining in the United States will doubtless be similar to that of the countries of the old world. Gold is usually first discovered in the places and valleys where it has been deposited by the slackened currents of swift streams, which have washed and carried it down from the hills and mountains containing mineral veins. The yield at first is abundant, but the amount obtained by excavating and washing placer beds, diminishes from year to year, so that eventually the sources of supply for the precious metals are found in the rocks where they were originally deposited. The mines of California, which in 1850 furnished the world with sixty millions in gold, in 1882, by a greater actual expenditure of labour and capital, only yielded seventeen millions. The diminution in the gold product of that State in the last, compared with the previous year, has resulted from the diminished yield, not only of the placer and hydraulic mines in the northern and central portion of the State, but also of the quartz mines in the southern and south-eastern counties. The gold obtained from the Bodie mines in 1882 was nearly one million less than in 1881.

The mines of Oregon, which consist principally of placers, seem also to be declining, and furnish nearly one-fourth of a million less than in the previous year. The gold mines of Idaho have produced 200,000 dollars less gold than they did in 1881, while Dakota is 700,000 dollars short.

In silver production the largest gain has been in New Mexico, where very rich mines were opened during the year, and added nearly two millions of silver bullion to the product of the country.

Utah furnishes 400,000 dollars more than in the previous year, Idaho 700,000 dollars, and Montana 1,700,000 dollars, while Arizona has maintained its former large production.

The total production of the States and Territories during the year 1882 is estimated to be, approximately, 79,300,000 dollars, of which 32,500,000 dollars is gold, and 46,800,000 dollars silver.

From a comparison of all the data received at this office, the following table is given, showing the approximate amounts produced by each State and Territory.

State or Territory.	Gold.	Silver.	Total.
	Dollars.	*Dollars.*	*Dollars.*
Alaska	150,000	-	150,000
Arizona	1,065,000	7,500,000	8,565,000
California	16,800,000	845,000	17,645,000
Colorado	3,360,000	16,500,000	19,860,000
Dakota	3,300,000	175,000	3,475,000
Georgia	250,000	-	250,000
Idaho	1,500,000	2,000,000	3,500,000
Montana	2,550,000	4,370,000	6,920,000
Nevada	2,000,000	6,750,000	8,750,000
New Mexico	150,000	1,800,000	1,950,000
North Carolina	190,000	25,000	215,000
Oregon	830,000	35,000	865,000
South Carolina	25,000	-	25,000
Utah	190,000	6,800,000	6,990,000
Virginia	15,000	-	15,000
Washington Territory	120,000	-	120,000
Wyoming	5,000	-	5,000
TOTAL	32,500,000	46,800,000	79,300,000

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Of the total amount of bullion deposited at the mints and assay offices of the United States, 31,378,248 dollars of gold and 31,400,792 dollars of silver were represented to be of domestic production. Of the amount of fine gold deposited as domestic bullion at the San Francisco mint, it has been ascertained that 413,290 dollars had been imported, leaving 30,964,958 dollars known to have been produced by the mines of the United States.

Exporters of silver bullion reported 175,000 dollars of gold to have been contained in silver bullion exported by them.

In my last report I estimated that in 1881 seven millions of domestic gold were used in the arts and manufactures, and fully as large an amount was consumed for like purposes in 1882.

Of this amount the mints and assay offices furnished 5,600,000 dollars, and the remainder, 1,400,000 dollars, was supplied by the refineries on the Atlantic and Pacific seaboards, or was used in the form of native gold.

The amounts represent closely the total production of the country, recapitulated as follows:—

	Dollars.
Deposited at mints and assay offices - -	30,964,958
Exported in silver bullion - - - -	175,000
Furnished by refineries to manufacturers -	1,400,000
TOTAL - - -	32,539,958

The reported exports of domestic silver bullion at their coining value amounted to 13,250,000 dollars. The amount of domestic bullion deposited at the New York assay office, and returned in bars for manufacturer's use, was 5,744,251 dollars. The Philadelphia mint furnished for a like purpose about 250,000 dollars; and the amount furnished by private refineries in the country was probably 350,000 dollars. In the year's coinage the amount of domestic bullion purchased and consumed was 24,700,000 dollars.

These amounts in detail aggregate as follows:

	Dollars.
Exported - - - - - - - -	13,250,000
Furnished to manufacturers by New York Assay Office - - - - - -	5,744,251
Furnished to manufacturers by Philadelphia Mint - - - - - - - -	250,000
Furnished to manufacturers by private refineries - - - - - - - -	350,000
Used in coinage - - - - - -	24,700,000
TOTAL - - -	44,294,251

There has been a greater decline in the amount deposited at the mint and assay offices, and credited as domestic gold bullion, during the year, than the difference between the gold production of the mines in 1881 and 1882; but I have reason to believe that a greater amount of gold was used in manufactures and the arts, and was supplied not only by an increased consumption of bars manufactured at the New York assay office, but of those prepared by the private refineries, as well as of native gold in grains, &c.

Less gold bullion is also reported to have been carried by express as well as deposited in the mints. The deposits and purchases of silver bullion entered as domestic production in the last year, exceeded the amount received in the previous year by 3,501,580 dollars, which corresponds very nearly to the increased production given in my estimate.

The amount of gold and silver refined and parted at the mints and New York assay office, shows a corresponding increase in the production of silver and diminution in gold.

In 1882, 1,126,514·673 ounces of gold, of the value of 20,958,412·52 dollars,

 were

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were parted and refined; while in 1881 the amount was 1,234,406·154 ounces, of the value of 22,965,695·86 dollars, showing a decrease of 2,007,283·34 dollars. In 1881 the amount of silver parted and refined was 9,945,990·49 ounces, worth, at its coining value, 11,573,411·47 dollars; and in 1882, 11,917,661·45 ounces, of the value of 13,867,824·23 dollars; an increase of 2,294,412·76 dollars.

The production, coinage, movement, and consumption of bullion and coin in the United States during the year have resulted in a gain in the production over the consumption of domestic gold bullion, as estimated, of 25,500,000 dollars, and in the import over the exports of gold bullion and foreign gold coin of 477,953 dollars, a total of 25,977,953 dollars. In gold coin the gain to the circulation by coinage was 65,478,537 dollars, and the loss by the excess of exports over imports of United States gold coin was 25,796,504 dollars, leaving a net gain to the circulation of gold coin of 39,682,033 dollars, although the net excess in gold of production and import over exports and consumption was 180,449 dollars.

In silver the gain to the circulation was by coinage, less recoinage, 27,384,506 dollars. The imports of American silver coin were 629,878 dollars, and the exports 405,015 dollars, gaining 224,863 dollars, which, added to the net coinage, makes the total gain in silver coin during the year 27,609,369 dollars.

Mining operations have been attended with the usual vicissitudes during the year. In some localities and in some mines the discovery of large and rich deposits of ore have remunerated the owners for many years of privation and labour, and often brought fortunes and affluence to many poor and persevering miners and prospectors; while, on the other hand, the stores of precious metals in other mines seem to have become exhausted, and increasing expenses or incompetent management have transferred dividend-paying mines to the list of non-producers, or levied assessments upon, instead of paying money to, stockholders.

A comparison of the dividends of the incorporated companies in 1882 with those in 1881 shows a slight falling off. It is impossible to state the total dividends paid, or the profits realized, from all the gold and silver mines of the United States. Last year the dividends paid by incorporated gold and silver mining companies were as follows:

States and Territories.	Mines.	Amount.
		Dollars.
Arizona	5	1,887,500
Colorado	16	2,326,650
California	10	1,312,047
Dakota	3	1,110,000
Montana	3	221,516
Nevada	7	663,262
Utah	4	2,129,000
Idaho	3	38,000
Georgia	1	48,000
New Mexico	2	204,000
TOTAL		9,939,975

Fifty-four corporations engaged in mining gold and silver have reported the payment of 9,940,000 dollars in 290 dividends. But it must not be inferred that these mines represent the total profits of mining. Hundreds, perhaps thousands, of mines owned by private parties, as well as corporations, yield handsome profits to their owners, who publish no notices of their mines or mining operations.

REPORT of Messrs. *Wells, Fargo & Co.*, dated Francisco, 1st January 1883.

THE following is a copy of our annual statement of precious metals produced in the States and Territories west of the Missouri River, including British Columbia (and receipts in San Francisco by express from the West Coast of Mexico), during 1882, which shows aggregate products as follows: gold, 30,193,355 dollars; silver, 50,155,288 dollars; copper, 4,055,037 dollars; lead, 8,008,155 dollars; total gross result, 92,411,835 dollars.

California shows a decrease in gold of 1,696,351 dollars. Nevada shows a total falling-off of 1,484,188 dollars; the yield from the Comstock being 1,333,018 dollars as against 1,726,162 dollars in 1881, a decrease of 393,144 dollars. The product of Eureka district is 3,176,656 dollars as against 4,127,265 dollars in 1881, a decrease of 950,609 dollars. Utah, Colorado, New Mexico, and Arizona, each show a notable increase on the products of last year.

The increase of transportation facilities for carrying bullion, pig metal, ores, &c., has increased the difficulty of verifying the reports of products from several important localities; and the general tendency is to exaggeration when the actual values are not obtainable from authentic sources; but the aggregate result, as shown herein, we think may be relied on with reasonable confidence.

States and Territories.	Gold Dust and Bullion by Express.	Gold Dust and Bullion by other Conveyances.	Silver Bullion by Express.	Ores and Base Bullion by Freight.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
California	14,733,643	736,682	509,342	352,831	16,332,498
Nevada	752,506	- -	6,588,023	3,022,847	10,363,376
Oregon	431,024	215,512	- -	- -	646,536
Washington	93,892	46,946	- -	- -	140,838
Alaska	- -	240,000	- -	- -	240,000
Idaho	1,091,208	191,568	882,890	1,160,072	3,325,738
Montana	2,150,000	215,000	4,065,000	1,574,000	8,004,000
Utah	76,954	6,201	3,139,020	4,921,000	8,143,175
Colorado	2,536,500	- -	4,803,925	18,592,840	25,933,265
New Mexico	43,728	21,864	919,047	2,682,493	3,667,132
Texas	- -	- -	257,597	- -	257,597
Arizona	386,517	100,000	5,631,083	3,180,667	9,298,267
Dakota	2,595,570	259,557	- -	- -	2,855,127
Mexico (West Coast)	510,192	- -	1,710,249	312,000	2,532,441
British Columbia	537,476	134,369	- -	- -	671,845
	25,939,210	2,167,699	28,506,176	35,798,750	92,411,835

The gross yield for 1882, shown above, segregated, is approximately as follows:—

	Per Cent.	Amount.
		Dollars.
Gold	32·67	30,193,355
Silver	54·28	50,155,288
Copper	4·39	4,055,037
Lead	8·67	8,008,155
TOTAL		92,411,835

ANNUAL PRODUCTS of LEAD, COPPER, SILVER, and GOLD in the States and Territories West of the Missouri River, 1870-82.

YEAR.	Products as per Wells, Fargo, and Co.'s Statements, including Amounts from British Columbia and West Coast of Mexico.	Product after deducting Amounts from British Columbia and West Coast of Mexico.	The Net Product of the States and Territories West of the Missouri River, exclusive of British Columbia and West Coast of Mexico, divided, is as follows:			
			Lead.	Copper.	Silver.	Gold.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
1870 - - -	54,000,000	52,150,000	1,080,000	- -	17,320,000	33,750,000
1871 - - -	58,284,000	55,784,000	2,100,000	- -	19,286,000	34,398,000
1872 - - -	62,236,959	60,351,824	2,250,000	- -	19,924,429	38,177,395
1873 - - -	72,258,693	70,139,860	3,450,000	- -	27,483,302	39,206,558
1874 - - -	74,401,045	71,965,610	3,800,000	- -	29,699,122	38,466,488
1875 - - -	80,889,057	76,703,433	5,100,000	- -	31,635,239	39,968,194
1876 - - -	90,875,173	87,219,859	5,040,000	- -	39,292,924	42,886,935
1877 - - -	98,421,754	95,811,582	5,085,250	- -	45,846,109	44,880,223
1878 - - -	81,154,622	78,276,167	3,452,000	- -	37,248,137	37,576,030
1879 - - -	75,349,501	72,688,888	4,185,769	- -	37,032,857	31,470,262
1880 - - -	80,167,936	77,232,512	5,742,390	898,000	38,033,055	32,559,067
1881 - - -	84,504,417	81,198,474	6,361,902	1,195,000	42,987,613	30,653,959
1882 - - -	92,411,835	89,207,549	8,008,155	4,055,037	48,133,039	29,011,318

The exports of silver during the present year to Japan, China, India, the Straits, &c., have been as follows: from Southampton, 27,390,000 dollars, from Venice, 9,695,000 dollars; from Marseilles, 806,000 dollars; from San Francisco, 5,375,000 dollars; total, 43,266,000 dollars, as against 27,000,000 dollars from the same places in 1881.

DEPOSITS and PURCHASES of GOLD and SILVER BULLION during the Fiscal Year ended 30th June 1882.

DESCRIPTION.	MINTS.					ASSAY OFFICES.					TOTAL.
	Philadelphia.	San Francisco.	Carson.	Denver.	New Orleans.	New York.	Boisé.	Helena.	Charlotte.	Saint Louis.	
GOLD.	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*
United States bullion (domestic production)	143,250 70	21,691,855 40	1,016,808 04	458,847 07	7,196 67	7,166,935 87	146,305 82	587,443 78	79,683 39	185 23	31,298,511 97
United States coin	209,228 61	9,543 20	- -	- -	9,868 41	370,374 83	- -	- -	341 75	- -	599,356 80
Foreign bullion	33,697 95	3,013,683 76	- -	- -	1,464 59	9,734,960 74	- -	- -	- -	- -	12,783,807 04
Foreign coin	41,490 46	2,881,438 64	- -	- -	56,849 08	17,324,357 53	- -	- -	675 07	- -	20,304,810 78
Jewellers' bars, old plate, &c.	617,481 51	26,663 61	158 01	- -	31,572 73	1,087,258 40	- -	24 83	1,006 58	6,000 09	1,770,166 36
TOTAL	1,045,149 23	27,623,184 61	1,016,966 05	458,847 07	106,951 48	35,683,887 37	146,305 82	587,468 61	81,706 79	6,185 92	66,756,652 95
Re-deposits Fine bars	56,520,718 20	- -	- -	- -	- -	165,156 45	- -	- -	- -	- -	56,685,874 65
Re-deposits Unparted bars	960,859 40	101,206 48	- -	- -	2,912 74	145,043 27	- -	97,006 92	182 57	- -	1,307,211 38
TOTAL Gold received and operated upon	58,526,726 83	27,724,391 09	1,016,966 05	458,847 07	109,864 22	35,994,087 09	146,305 82	684,475 53	81,889 36	6,185 92	124,749,738 93
SILVER.											
United States bullion (domestic production)	9,409,478 48	9,482,214 55	1,003,320 62	7,053 02	4,534,327 17	6,375,176 76	2,318 43	142,136 20	542 00	20 95	30,956,588 18
United States coin	81,282 62	4,777 05	29 79	- -	22,577 70	18,703 93	- -	- -	77 32	123 94	127,572 40
Foreign bullion	36,324 57	1,144,168 20	- -	- -	18,924 47	227,209 71	- -	- -	- -	- -	1,426,626 95
Foreign coin	10,603 52	11,509 80	- -	- -	656,515 06	182,160 37	- -	- -	47 47	- -	860,836 22
Jewellers' bars, old plate, &c.	93,564 10	3,684 53	18 83	- -	24,346 27	226,501 04	- -	14 80	104 12	633 98	348,867 67
TOTAL	9,631,253 29	10,646,354 13	1,003,369 24	7,053 02	5,256,690 67	7,029,751 86	2,318 43	142,151 00	770 91	778 87	33,720,491 42
Re-deposits Fine bars	1,287,434 00	343,405 60	- -	- -	- -	17,632 55	- -	- -	- -	- -	1,648,472 15
Re-deposits Unparted bars	12,640 23	1,346 22	- -	- -	894 14	120,875 80	- -	3,155 05	2 08	- -	138,913 52
TOTAL Silver received and operated upon	10,931,327 52	10,991,105 95	1,003,369 24	7,053 02	5,257,584 81	7,168,260 21	2,318 43	145,306 05	772 99	778 87	35,507,877 09
Gold and silver deposits and purchases	10,676,402 52	38,269,538 74	2,020,335 29	465,900 09	5,363,642 15	42,713,639 23	148,624 25	729,619 61	82,477 70	6,964 79	100,477,144 37
Re-deposits Gold	57,481,577 60	101,206 48	- -	- -	2,912 74	310,199 72	- -	97,006 92	182 57	- -	57,993,086 03
Re-deposits Silver	1,300,074 23	344,751 82	- -	- -	894 14	138,508 35	- -	3,155 05	2 08	- -	1,787,385 67
TOTAL Gold and Silver received and operated upon	69,458,054 35	38,715,497 04	2,020,335 29	465,900 09	5,367,449 03	43,162,347 30	148,624 25	829,781 58	82,662 35	6,964 79	160,257,616 07

DEPOSITS and PURCHASES of GOLD and SILVER BULLION during the Fiscal Year ended 31st December 1882.

DESCRIPTION.	MINTS.					ASSAY OFFICES.					TOTAL.
	Philadelphia.	San Francisco.	Carson.	Denver.	New Orleans.	New York.	Boisé.	Helena.	Charlotte.	Saint Louis.	
GOLD.	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*	*Dols. c.*
United States bullion (domestic production)	201,454 38	21,573,084 45	1,172,002 72	495,379 55	- -	7,095,323 41	147,162 25	601,353 58	92,226 23	262 25	31,378,248 82
United States coin	177,331 35	4,261 51	- -	- -	13,788 24	213,580 20	- -	- -	152 82	34 79	409,148 91
Foreign bullion	49,405 71	2,610,190 85	- -	- -	3,418 42	953,221 97	- -	- -	- -	92 89	3,616,329 84
Foreign coin	33,605 75	1,893,535 50	177 84	- -	46,847 11	2,747,853 47	- -	- -	270 27	- -	4,722,289 94
Jewellers' bars, old plate, &c.	634,983 48	22,094 34	75 33	- -	40,042 38	1,083,655 98	- -	24 84	804 93	13,564 97	1,795,246 25
TOTAL	1,096,780 67	26,103,166 65	1,172,255 89	495,379 55	104,096 15	12,093,635 03	147,162 25	601,378 42	93,454 25	13,954 90	41,921,263 76
Re-deposits { Fine bars	16,785,596 41	- -	- -	- -	3,890 34	800,502 14	- -	- -	- -	- -	17,589,988 89
Re-deposits { Unparted bars	611,793 56	112,220 16	- -	998 05	2,912 75	504,750 81	- -	77,290 88	177 47	- -	1,310,143 68
TOTAL Gold received and operated upon	18,494,170 64	26,215,386 81	1,172,255 89	496,377 60	110,899 24	13,398,887 98	147,162 25	678,669 30	93,631 72	13,954 90	60,821,396 33
SILVER.											
United States bullion (domestic production)	9,708,416 29	7,863,687 99	1,085,564 95	7,157 88	5,890,723 92	6,739,179 52	2,285 95	103,119 22	635 38	21 85	31,400,792 95
United States coin	547,984 99	3,922 42	43 41	- -	24,360 21	11,036 47	- -	- -	134 61	47 32	587,529 43
Foreign bullion	302 73	1,236,297 98	- -	- -	27,813 24	366,094 86	- -	- -	- -	13 67	1,630,522 48
Foreign coin	202,494 57	9,335 74	16 99	- -	786,685 77	158,690 55	- -	- -	18 28	275 46	1,157,517 36
Jewellers' bars, old plate, &c.	98,851 06	2,784 90	1 99	- -	28,011 80	253,783 02	- -	14 80	98 78	1,345 92	384,892 27
TOTAL	10,558,049 64	9,116,029 03	1,085,627 34	7,157 88	6,757,594 94	7,528,784 42	2,285 95	103,134 02	887 05	1,704 22	35,161,254 49
Re-deposits { Fine bars	1,888,352 15	121,904 95	- -	- -	- -	20,922 04	- -	- -	- -	- -	2,031,179 14
Re-deposits { Unparted bars	8,300 21	27,229 83	- -	- -	894 14	101,918 05	- -	2,714 97	1 09	- -	141,058 29
TOTAL Silver received and operated upon	12,454,702 00	9,265,163 81	1,085,627 34	7,157 88	6,758,489 08	7,651,624 51	2,285 95	105,848 99	888 14	1,704 22	37,333,491 92
Gold and silver deposits and purchases	11,654,830 31	35,219,195 68	2,257,883 23	502,537 43	6,861,691 09	19,622,419 45	149,448 20	704,512 44	94,741 30	15,659 12	77,082,518 25
Re-deposits { Gold	17,397,389 97	112,220 16	- -	998 05	6,803 09	1,305,252 95	- -	77,290 88	177 47	- -	18,900,132 57
Re-deposits { Silver	1,896,652 36	149,134 78	- -	- -	894 14	122,840 09	- -	2,714 97	1 09	- -	2,172,237 43
TOTAL Gold and Silver received and operated upon	30,948,872 64	35,480,550 62	2,257,883 23	503,535 48	6,869,388 32	21,050,512 49	149,448 20	784,518 29	94,519 86	15,659 12	98,154,883 25

REPORT of the Director of the United States' Mint for the Fiscal Year ended the 30th of June 1883.

THE production of the several States' and Territories in 1882 was estimated as follows:—

STATE OR TERRITORY.	Gold.	Silver.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
Alaska - - - - - - - -	150,000	- -	150,000
Arizona - - - - - - - -	1,065,000	7,500,000	8,565,000
California - - - - - - - -	16,800,000	845,000	17,645,000
Colorado - - - - - - - -	3,360,000	16,500,000	19,860,000
Dakota - - - - - - - -	3,300,000	175,000	3,475,000
Georgia - - - - - - - -	250,000	- -	250,000
Idaho - - - - - - - - -	1,500,000	2,000,000	3,500,000
Montana - - - - - - - -	2,550,000	4,370,000	6,920,000
Nevada - - - - - - - -	2,000,000	6,750,000	8,750,000
New Mexico - - - - - - -	150,000	1,800,000	1,950,000
North Carolina - - - - - - -	190,000	25,000	215,000
Oregon - - - - - - - -	830,000	35,000	865,000
South Carolina - - - - - - -	25,000	- -	25,000
Utah - - - - - - - - -	190,000	6,800,000	6,990,000
Virginia - - - - - - - -	15,000	- -	15,000
Washington Territory - - - - - -	120,000	- -	120,000
Wyoming - - - - - - - -	5,000	- -	5,000
TOTAL - - -	32,500,000	46,800,000	79,300,000

The total amount, compared with that of the preceding year, indicated that the production of the calendar year 1882 declined 2,200,000 dollars in gold, and increased 3,800,000 dollars in silver. The probable production of the present calendar year cannot be stated absolutely from the information thus far received.

The mints and assay offices, during the fiscal year ended 30th June 1883, embracing six months of the last and six months of the present calendar year, received domestic bullion of the value of 32,481,642 dollars 38 cents gold, and 32,758,487 dollars 68 cents in silver; which exceeds the amount of similar bullion received during the calendar year 1882 by 1,103,393 dollars 58 cents in gold, and 1,357,694 dollars 74 cents in silver. The exports of domestic silver bullion were also, during the fiscal year, 1,490,000 dollars greater.

The increased deposit of domestic gold was occasioned chiefly by the closing of the San Francisco Mint for receiving deposits earlier than usual in June 1882, and deposits which otherwise would have been made in that month were held back until July of the succeeding (or last) fiscal year.

The reports published in the mining journals of the production of many leading mines during the first half of the calendar year 1883, compared with their production for the same period in the previous year, show a diminished yield of about two millions of dollars. These reports, however, are too incomplete to furnish safe data, and a better criterion is a comparison of the amounts of gold and silver received at the mints and assay offices, and the exports of domestic bullion to foreign countries.

For the first eight months of 1883 the value of the deposits of gold bullion is less than for the corresponding period in 1882 by a half-million of dollars;

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and the silver deposits, purchases, and exports exceed those for the same time in the former year by two millions of dollars.

The production of gold in the calendar year 1883 will probably be at least a half-million less, and that of silver at least two millions greater, than that of the previous year.

Consumption of the Precious Metals.

In the report for 1882 it was estimated that the consumption of the precious metals in the United States for use in the arts and manufactures probably exceeded 12,000,000 dollars of gold, and 7,000,000 dollars of silver, of which 7,000,000 dollars of gold and 6,000,000 dollars of silver were of domestic production.

This estimate was based upon the results of inquiries made in 1881 by circular letters to manufacturers in the United States, and also upon the amount of bullion furnished by the New York Assay Office for manufacturing purposes. During the last fiscal year the New York Assay Office supplied bars for this purpose as follows :—

Bars furnished to Manufacturers.	Gold.		Silver.	
	Dolls.	*cts.*	*Dolls.*	*cts.*
Of United States coin - - -	138	15	1,365	82
Of foreign coin - - - -	130,505	04	102,220	28
Of foreign bullion - - - -	253,799	44	335,016	73
Of plate, &c. - - - - -	665,019	30	205,851	10
Of domestic bullion - - -	5,094,808	36	4,860,038	40
TOTAL - - -	6,144,270	29	5,504,492	33

Besides these deposits of gold and silver bullion for bars to be used in manufactures, the arts, &c., gold bars of the value of 1,946,255 dollars were for similar use delivered to manufacturers and dealers in bullion in exchange for gold coin, making the total value of gold bars prepared at that institution, and delivered for manufacturing purposes, 8,090,525 dollars. If to this is added the bars prepared for depositors, and exchanged for gold coin at Philadelphia, an aggregate of 187,541 dollars, and those sold for similar purposes by private refiners, and the amount of coin and gold in the form of lumps and grains, the estimate heretofore made that 12,000,000 dollars of gold is annually consumed in manufactures, the arts, and ornamentation, and that at least 7,000,000 dollars of this is of domestic production, is sustained as to the amount thus consumed in the fiscal year 1883 ; while the amount of silver thus used would appear to have declined by a half-million of dollars.

Coin Circulation of the United States.

On the 1st of July 1883 the total coin circulation of the United States amounted to about 765,000,000 dollars, of which 537,000,000 dollars is gold, and 228,000,000 dollars silver coin. This estimate is based upon my estimate of the circulation of the country in 1873, which I placed at 135,000,000 dollars in gold, and 5,000,000 dollars in silver. To this last estimate I added the subsequent annual gains to the metallic circulation by coinage and import of coin, and deducted the losses from re-coinage and export of coin up to 1st July 1879, making the coin circulation at that date, gold, 286,490,698 dollars; silver, 112,050,985 dollars. It was assumed that during that period the coins brought into the country by immigrants on their persons, and not reported at the Custom-house, equalled the amount of coin consumed in the arts not deposited at the mints and assay offices. As the Custom-house Returns in 1879 and subsequently, distinguished United States from foreign coins, the estimates for the last four years have been based upon the coinage deposit, import and export, of United States coins, deducting 8,500,000 dollars for a possible excess of

of undeposited coins melted above the unreported amounts brought by immigrants.

In my last annual Report I estimated the circulation of United States coin to have been 500,000,000 dollars of gold, and 200,000,000 dollars of silver; the exact figures of coinage and import, less re-coinage, export, and estimated use in the arts, being 500,882,185 dollars of gold, and 199,573,360 dollars of silver. During the year the coinage amounted to 35,936,927 dollars 50 cents of gold, and 28,835,470 dollars 15 cents of silver; the imports of United States coins were 8,112,265 dollars of gold, and 670,192 dollars of silver. During the same period 374,129 dollars of gold coin, and 636,929 dollars of silver coin, were deposited at the mint for re-coinage; and 4,802,454 dollars of gold coin, and 150,894 dollars of silver coin, were exported.

I have estimated that the amount of United States coin melted by manufacturers during the year was 2,500,000 dollars of gold, and 75,000 dollars of silver.

The following Table, therefore, shows the gain during the year:—

United States Coin.	Gold.	Silver.	Total.
	Dollars.	*Dollars.*	*Dollars.*
Circulation, 30th June 1882 - - - -	500,882,185	199,573,360	700,455,545
Year's coinage, less deposits for re-coinage -	35,562,798	28,198,541	63,761,339
Excess of imports over exports - - -	3,309,811	519,298	3,829,109
TOTAL - - -	539,754,794	228,291,199	768,045,993
Less amount used in the arts - - -	2,500,000	75,000	2,575,000
Circulation, 1st July 1883 - - - -	537,254,794	228,216,199	765,470,993

From the Treasurer's statement of the amount of coin in the Treasury, and of gold and silver certificates outstanding, and from the reports made by national banks to the Comptroller of the Currency, showing the amount of certificates held by them, it appears that the gold and silver coin of the country on the 1st of July 1883 was owned as follows: —

Belonging to	Gold.	Silver.			Total United States Gold and Silver Coins.
		Legal Tender.	Subsidiary.	Total.	
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
Treasury - - -	*82,017,125	*39,293,351	28,486,001	67,779,352	*149,796,477
National banks - -	†105,024,406	†7,121,130	‡ 3,208,858	10,329,988	†115,354,394
Other banks - -	†25,000,000	†100,841,418	49,265,441	150,106,859	†500,320,122
Private hands - -	†325,213,263				
TOTAL - - -	537,254,794	147,255,899	80,960,300	228,216,199	765,470,993

* Less outstanding certificates. † Including Treasury certificates. ‡ Estimated.

In the above table I have deducted from the stock in the Treasury, and credited to the banks and the public to the amount of the certificates held by them, respectively, the coin represented by and required by law to be kept in the Treasury for the payment of outstanding gold and silver certificates.

From 1st July to 1st October there was an additional coinage, less re-coinage, of 7,646,575 dollars of gold, and 7,235,372 of silver. During the same period the coin circulation gained 236,330 dollars of United States gold coin by import,

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import, and lost 141,498 dollars of silver coin by export. Making a proportionate estimate of the amount of coin melted for manufacturing purposes during the three months, and deducting the same, would make the circulation of United States coin on the 1st instant 544,512,699 dollars of gold, and 235,291,323 dollars of silver, a total of 779,804,022 dollars, as appears in the following Table :—

GAIN in COIN from 1st July to 1st October 1883.

	Gold.	Silver.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
Circulation, 1st July 1883	537,254,794	228,216,199	765,470,993
Coinage to 1st October (less re-coinage)	7,646,575	7,235,372	14,881,947
Excess of imports over exports to 1st October *	236,330	- - -	236,330
TOTAL	545,137,699	235,451,571	780,589,270
Less excess of exports over imports *	- -	141,498	141,498
Remainder	545,137,699	235,310,073	780,447,772
Less amount used in manufactures	625,000	18,750	643,750
Circulation, 1st October 1883	544,512,699	235,291,323	779,804,022

* All ports for July and August; only New York and San Francisco for September.

In addition to this amount of coin, the mints and assay offices held for coinage on 1st October 61,683,816 dollars of gold bullion, and 5,107,911 dollars of silver bullion, making the total amount of United States coin and bullion available for coinage 606,196,515 dollars of gold, and 240,399,234 dollars of silver, or 846,595,749 dollars of both gold and silver.

Total United States Circulation and its Disposition.

The following Table, compiled in this Bureau, from the published statements prepared by the Comptroller of the Currency and the Treasurer of the United States, as to the holdings of the banks and Treasury, shows the character and condition of the circulation of the country on the 1st of July 1883 :—

STATE of CIRCULATION, 1st July 1883.

	In Treasury.	In National Banks.	In other Banks and General Circulation.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*
Gold bullion	56,254,071	- - -	- - -	56,254,071
Silver bullion	4,482,216	- - -	- - -	4,482,216
Gold coin	141,824,495	72,232,816	323,197,483	537,254,794
Silver dollars	111,914,019	4,000,000	31,341,880	147,255,899
Fractional silver coin	28,486,001	3,208,858	49,265,441	80,960,300
Gold certificates	22,571,270	32,791,590	27,015,780	82,378,640
Silver certificates	15,996,145	3,121,130	69,499,556	88,616,831
United States notes	36,498,839	73,832,458	236,349,719	346,681,016
National bank notes	8,217,062	31,748,004	316,850,444	356,815,510
Fractional currency	4,657	456,447	6,539,586	7,000,690
TOTAL	426,248,775	221,391,303	1,060,059,889	1,707,699,967

No

No account has been taken of the small amounts of unredeemed legal-tender, demand, and interest-bearing notes, which cannot be considered in circulation at the present time.

Strictly speaking, the gold and silver bullion in the Treasury cannot be denominated circulation, but, though not money, such bullion may be considered as a part of the Treasury metallic reserve, being held, and in case of necessity immediately available, for conversion into coin, and therefore is included in Table XXXIV. in the Appendix, showing the general circulation.

Comparing the foregoing Table with a similar one in my last Report, showing the state of circulation at the close of the preceding year, it will be seen,—

1st. That the total circulation of gold coin has increased in the year 36,400,000 dollars, and of silver coin 28,500,000 dollars; the outstanding gold certificates increased about 55,000,000 dollars, silver certificates 18,000,000 dollars, a total of 73,000,000 dollars; while the total National bank note circulation diminished nearly 2,000,000 dollars.

2nd. The Treasury owns, deducting outstanding certificates, 5,000,000 dollars less gold coin, and 7,000,000 dollars more of silver coin, and 4,000,000 dollars more of United States and National bank notes.

3rd. The national banks have gained 17,500,000 dollars in the total circulation held by them, and increased their stock of coin, including certificates, 1,000,000 dollars in gold and 2,500,000 dollars in silver, and gained 14,000,000 dollars in paper.

4th. The paper and metallic circulation held by the public and the banks, other than the National, increased 40,000,000 dollars, gaining, including certificates, 40,000,000 dollars in gold and 19,000,000 in silver, a total of 59,000,000 dollars in coin, but losing 19,000,000 dollars in United States and National bank notes.

From 1st July to 1st October 1883 there was a further net increase in the circulation of the United States, amounting to 22,897,856 dollars, as appears from the following statement:—

STATEMENT of Total United States Circulation, 1st October 1883.

(Amount held in the Treasury, taken from Treasurer's Statement of 29th September.)

	In Treasury.	In Banks and General Circulation.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
Gold bullion - - - - -	61,683,816	- - -	61,683,816
Silver bullion - - - - -	5,107,911	- - -	5,107,911
Gold coin - - - - - -	144,446,726	400,065,973	544,512,699
Silver dollars - - - - -	114,587,372	39,783,527	154,370,899
Silver fractional coin - - - - -	26,750,161	54,170,263	80,920,424
Gold certificates - - - -	27,480,300	55,014,940	82,495,240
Silver certificates - - - -	15,568,280	78,921,961	94,490,241
United States notes - - - -	37,194,420	309,486,596	346,681,016
National Bank notes - - - -	6,017,710	347,324,961	353,342,671
Fractional currency - - - -	5,803	6,987,103	6,992,906
TOTAL - - -	438,842,499	1,291,755,324	1,730,597,823

Assuming that the same amounts of paper and specie respectively were in the national banks on the 1st of October as on the 22nd of June, the comparative

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parative changes in the circulation held by the public and banks other than National, from 1st October 1883, have been as follows:—

UNITED STATES CIRCULATION held by the Public and Banks other than National.

Description.	1st October 1882.	1st October 1883.	Increase.	Decrease.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*
Gold coin	320,902,688	327,833,157	6,930,469	—
Silver dollars	30,801,231	35,783,527	4,982,296	—
Fractional silver	49,687,535	50,961,405	1,273,870	—
Gold certificates	313,140	22,223,350	21,910,210	—
Silver certificates	61,397,180	75,800,831	14,403,651	—
United States notes	251,419,341	235,654,138	—	15,765,203
National Bank notes	330,104,018	315,576,957	—	14,527,061
Fractional currency	6,623,253	6,530,656	—	92,597
TOTAL	1,051,248,386	1,070,364,021	—	—

Net increase, 19,115,635 dollars.

REPORT of the Director of the United States Mint for the Fiscal Year ended the 30th of June 1884.

From my last special report the production of the several States and Territories in 1883 appears to have been as follows:—

STATE OR TERRITORY.	Gold.	Silver.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
Alaska	300,000	—	300,000
Arizona	950,000	5,200,000	6,150,000
California	14,120,000	1,460,000	15,580,000
Colorado	4,100,000	17,370,000	21,470,000
Dakota	3,200,000	150,000	3,350,000
Georgia	199,000	1,000	200,000
Idaho	1,400,000	2,100,000	3,500,000
Montana	1,800,000	6,000,000	7,800,000
Nevada	2,520,000	5,430,000	7,950,000
New Mexico	280,000	2,845,000	3,125,000
North Carolina	167,000	3,000	170,000
Oregon	660,000	20,000	680,000
South Carolina	56,500	500	57,000
Utah	140,000	5,620,000	5,760,000
Virginia	6,000	—	6,000
Washington	80,000	500	80,500
Wyoming	4,000	—	4,000
Other (Alabama, Tennessee, &c.)	17,500	—	17,500
TOTAL	30,000,000	46,200,000	76,200,000

This

This is a decline from the production of the previous year, in gold of 2,500,000, and in silver of 600,000, and much more than I had anticipated in estimating in my last annual report the probable production of the year. It resulted chiefly from the interruption of hydraulic gold mining in California in many localities by mandate of the courts, at the instance of the owners of agricultural lands damaged by the deposit of *débris* and sediment in the valleys and on the bottom lands adjacent to the streams in the lower counties, and from the diminished yield of silver from some of the most productive mines of Arizona and Utah.

A comparison of the receipts of gold and silver at the mints, and exports of domestic silver, during the first eight months of the calendar years 1883 and 1884, indicates a decline in the yield of the mines of the United States during the present year of about 1,000,000 dollars in gold, and a probable increase of 2,000,000 dollars in silver; for, while the deposits of domestic gold for the first eight months in 1883 were 20,265,384 dollars 34 cents, for the corresponding period in 1884 they amounted to only 19,584,511 dollars 64 cents, a decline of 680,872 dollars 70 cents. During the same time the deposits and purchases of domestic silver varied but slightly, but the exports of domestic silver were about 1,500,000 dollars greater in 1884 than in 1883. On the other hand the reported production of 30 silver mines, as published in the mining journals, shows a diminished yield of over a million of dollars.

It seems probable that the full returns of production at the close of the year will show a production by the mines of the United States of 29,000,000 dollars of gold, and of silver at its standard dollar coining rate of nearly 48,000,000 dollars.

Consumption of Gold and Silver in United States.

For the purpose of obtaining more complete information in regard to the use of the precious metals in the arts and ornamentation, circular letters to the number of 7,969 were again sent to all persons and firms in the United States whose address could be obtained, reported to be using and consuming the precious metals for industrial purposes.

To these letters 5,418 replies were received, which showed the consumption by 2,734 persons and firms engaged in the manufacturing or the repair of articles of ornamentation and use, of nearly 14,500,000 dollars worth of gold, and over 5,500,000 dollars worth of silver, a total of over 20,000,000 dollars. This is an increase of 7,000,000 dollars over that reported in 1882, when, however, less than half as many persons and firms reported. The Superintendent of the United States Assay Office at New York states that the value of the bars furnished, presumably for use in the arts and manufactures during the fiscal year 1883, was, gold, 4,615,118 dollars; silver, 5,205,996 dollars; total, 9,821,114 dollars. The value of the bullion, consisting of stamped United States or refinery bars, reported by manufacturers to have been used, was, of gold, 7,137,711 dollars, and of silver, 4,551,172 dollars. This would indicate an increased use of gold and silver in ornamentation, and for industrial purposes, especially in United States gold coin, and of United States or refinery bars, as reports show over seven millions of stamped United States or refinery bars used by the manufacturers. It would seem probable that six millions of this is gold bullion of domestic production, and that four and a half millions of the silver produced in the United States during the last calendar year were appropriated for use in the arts.

Circulation of the United States.

Upon the basis of the annual gains by coinage and import of coin, less the losses by re-coinage, export, and consumption in the arts, I estimated in my last annual report the coin circulation of the United States at the close of the fiscal year to have been about 765,000,000 dollars, of which 537,000,000 dollars was gold, and 228,000,000 dollars silver. Upon the same basis I estimate the coin circulation on the 1st of July 1884 to have been 802,000,000 dollars, of which 250,000,000 dollars was silver, and nearly 552,000,000 dollars gold.

In arriving at these figures, I have deducted from the silver circulation six millions out of the seven millions of trade dollars heretofore estimated to constitute a part of the silver circulation, and 4,875,000 dollars gold coin reported to

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have been used in the arts, which exceeds the similar deduction for 1883 by 2,375,000 dollars.

The net gain to the coin circulation was 14,000,000 dollars in gold and 22,000,000 dollars in silver, as appears from the following table giving the exact figures of the gains and losses during the year :—

United States Coin.	Gold.	Silver.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
Circulation, 1 July 1883 - - - -	537,254,794	228,216,199	765,470,993
Year's coinage - - - - -	27,932,824	28,772,388	56,706,212
TOTAL - - -	565,187,618	256,989,587	822,177,205
Less net exports - - - - - -	8,417,059	4,199	8,421,258
Deposits for re-coinage - - - -	263,117	152,031	415,148
Used in the arts - - - - - -	4,875,000	216,000	5,091,000
Trade dollars withdrawn from circulation -	- -	6,000,000	6,000,000
Total Loss - - -	13,555,176	6,372,230	19,927,406
Circulation, 1 July 1884 - - - -	551,632,442	250,617,357	802,249,799
Net gain during the year - - - -	14,377,648	22,401,158	36,778,806

This circulation, from the statements of the Treasurer and Comptroller of the Currency for the periods nearest to the 1st of July, would appear to have been owned on 1st July 1884 as follows :—

Belonging to	Gold.	Silver.			Total United States Gold and Silver Coins.
		Legal Tender.	Subsidiary.	Total.	
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
Treasury - - -	*89,190,346	39,133,905	29,600,720	68,734,625	157,924,971
National banks - -	†97,632,848	†8,978,833	‡3,000,000	11,978,833	109,661,681
Other banks - -	‡30,000,000	127,243,091	42,660,808	169,903,899	534,663,147
Private hands - -	334,759,248				
TOTAL - -	551,632,442	175,355,829	75,261,528	250,617,357	802,249,799

* Less outstanding certificates.
† Includes Treasury and Clearing-house certificates.
‡ Estimated.

In computing the above table, I have deducted from the coin in the Treasury, and added to that in banks and the hands of private parties, the amount of the gold and silver certificates outstanding, for the payment of which the law requires a corresponding amount of coin to be held in the Treasury.

The coinage from 1st July to 1st October was, of gold 6,876,299 dollars, and silver 7,097,000 dollars. The deposit of United States coin at the mints and assay offices were, gold 69,180 dollars, and silver 271,550 dollars, making the net gain from coinage, less re-coinage, 6,807,119 dollars gold, and 6,825,450 dollars silver.

The net imports of United States gold coin were 368,880 dollars, and the net export of silver coins, 193,100 dollars. Estimating the consumption in the arts at 1,220,000 dollars gold, and 50,000 dollars silver, one-fourth of the amount reported for the previous year, leaves the circulation of United States coin on the

the 1st of October instant, gold 557,500,000 dollars, and silver 257,000,000 dollars, a total of 814,500,000 dollars, as appears from the following tabular statement :—

GAIN in COIN from 1st July to 1st October 1884.

ITEMS.	Gold.	Silver.	TOTAL.
	Dollars.	*Dollars.*	*Dollars*
Circulation, 1st July 1884 - - - -	551,632,442	250,617,357	802,249,799
Coinage (less re-coinage) to 1st October 1884	6,807,119	6,825,450	13,632,569
Net imports - - - - - - -	368,880	- -	368,880
TOTAL - - -	558,808,441	257,442,807	816,251,248
Less used in the arts and manufactures - -	1,220,000	50,000	1,270,000
Net exports - - - - - - - -	- -	193,100	193,100
TOTAL - - -	1,220,000	243,100	1,463,100
Circulation, 1st October 1884 - - -	557,588,441	257,199,707	814,788,148

This does not include the bullion in the Treasury belonging to the Government and held for coinage, which amounted on the 1st of October to 52,950,000 dollars of gold, and 4,935,000 dollars of silver bullion, which may be properly considered a portion of the Treasury reserve, and would make the total amount of coin and bullion available for coinage at that date, gold, 610,500,000 dollars, and silver, 262,000,000 dollars, being a total of 872,500,000 dollars.

The following table, compiled from the published statements of the Treasurer of the United States and the Comptroller of the Currency, so far as relates to the money in the Treasury and in national banks, shows the character and possession of the circulating medium of the United States on the 1st of July 1884.

STATE of CIRCULATION, 1st July 1884.

	In Treasury.	In National Banks.	In other Banks and General Circulation.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*
Gold bullion - - -	44,193,050	- -	- -	44,193,050
Silver bullion - - -	4,950,785	- -	- -	4,950,785
Gold coins - - -	160,336,986	71,045,738	320,249,718	551,632,442
Silver dollars - - -	135,560,916	6,117,833	33,677,080	175,355,829
Fractional silver coin - -	29,600,720	*3,000,000	42,660,808	75,261,528
Gold certificates - - -	27,246,020	26,637,110	44,509,530	98,392,660
Silver ditto - - -	23,384,680	2,861,000	93,566,011	119,811,691
United States notes - -	40,183,801	76,917,212	229,638,443	346,739,456
National Bank notes - -	8,809,990	23,386,695	307,753,858	339,950,543
Fractional currency - -	7,027	473,046	6,499,988	6,980,061
TOTAL - - -	474,273,975	210,438,634	1,078,555,436	1,763,268,045

* Estimated.

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From the 1st of July to the 1st of October an increased amount of gold and silver coin and gold and silver certificates was in circulation, as well as held by the Treasury, as shown by the following statement:—

STATE of Total United States CIRCULATION, 1st October 1884.

	In Treasury.	In Banks and General Circulation.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
Gold bullion	52,946,587		52,946,587
Silver bullion	4,934,404		4,934,404
Gold coin	164,957,455	392,630,986	557,588,441
Silver dollars	142,058,787	40,322,042	182,380,829
Fractional silver coin	29,474,160	45,344,718	74,818,878
Gold certificates	33,546,960	87,389,660	120,936,620
Silver certificates	26,769,470	96,491,251	123,260,721
United States notes	36,524,872	310,214,484	346,739,356
National Bank notes	11,078,957	324,750,271	335,829,228
Fractional currency	7,105	6,970,155	6,977,260
TOTAL	502,298,757	1,304,113,567	1,806,412,324

Assuming the amount of paper and specie in the national banks to have been the same on the 1st October as on 22nd June, the amount held by the public and banks, other than national, on 1st October 1884, was about 1,094,000,000 dollars, or over 15,000,000 dollars more than on 1st July 1884.

EXTRACT from the "Times" of 21st January 1885.

Telegram from Philadelphia, 20th January 1885.

Messrs. Wells, Fargo, & Co. report that during 1884 there was a decrease in the American gold production, and a slight increase in the production of silver. The yield of gold amounted to 25,183,567 dollars; of silver, to 43,529,925 dollars; of copper, to 6,086,252 dollars; and of lead, to 6,834,091 dollars.

EXTRACT from the "Times" of 2nd February 1885.

Philadelphia, 1 February.

The Nicaragua Canal Treaty, despite the motion to reconsider it, is regarded as dead, for the present session of Congress at least.

None of the reciprocity treaties recently negociated can secure ratification, as the House will not pass the Acts required for enforcing them. The majority of the members of the House are determined to put a stop to this newly-invented method of governing the country in its trade relations.

The Silver Producers' Convention at Denver has formed a permanent organisation described as a "National Bimetallic Association," and has adopted a "platform" favouring bimetallism, demanding the unlimited coinage of silver at the present standard of coinage, denouncing the attempts of the Treasury to favour the banks by not forcing silver upon them in the Clearing-house settlements, declaring that the banks should be compelled by law to keep 15 per cent. of their reserves in silver, and requesting the President Elect, Mr. Cleveland, to appoint a Secretary of the Treasury who will not act in the interest of the National banks and Eastern brokers, but will recognise the great interests of the South and West in shaping the finances.

The Secretary of the Treasury has been holding conferences with the Committee of the New York Clearing-house, the result being that the policy of the Treasury on the silver question, which is to avoid the forcing of silver certificates on the banks, will continue unchanged.

EXTRACT from the "Standard," 4th February 1885. UNITED STATES.

The figures published every year by Mr. Valentine, of Wells, Fargo, & Co.'s Express Company, relating to the production of gold in the United States, have recently been issued for 1884. They indicate that the gross yield of the mines of the North American Continent west of the Missouri river, and including Mexico and British Columbia, for that year, was 17,000,000 *l.*, of which about 31 per cent., or 5,251,000 *l.*, was gold; and 54 per cent., or 9,160,000 *l.*, silver; the balance being copper and lead. Mr. Burchard, the Director of the United States Mint, usually places the total yield of gold rather above Mr. Valentine's, partly because the latter's figures do not include the production east of the Missouri river; but, whatever total be taken, the general conclusions deducible are identical. Gold is decreasing in yield, and silver continues to increase. Thus, in the five years ended with 1879, the United States Mint computation of the gold yield aggregates fully 42,000,000 *l.*, while, for the five years ended with 1884, it is not much more than 32,000,000 *l.* The "New York Chronicle" thinks these figures untrustworthy; but those of Mr. Valentine, which include the great bulk of the total production, have never been seriously disputed. They tell substantially the same story, only that the total production of the United States alone, and west of the Missouri river, is shown by them to have been less than 40,000,000 *l.* for the first five years of the decade ended with 1884, and little more than 29,000,000 *l.* for the second five years. There can be no reasonable doubt then that the gold supply is falling off in that quarter, and it is doing so just when the demand for it, whether as coinage or in the arts, is on the increase. Other producing countries tell the same story, so that, whereas the entire gold supply of the world averaged 28,000,000 *l.* per annum a quarter of a century ago, and 25,600,000 *l.* fifteen years ago, it has not in recent years averaged more than 19,000,000 *l.* Many people, seeing these figures, are apt to predict disastrous consequences as likely to flow from the curtailment thus exhibited; but that does not follow, although one consequence, no doubt, will be an impulsion of the poorer communities towards silver as a medium of exchange. Even now, it should always be remembered, in dealing with a subject like this, that the annual yield of gold is far larger than it was before the era of the Californian and Australian discoveries, while the economy in the use of the metal as a medium of exchange is also enormously greater than it was as recently as 20 years ago.

SILVER COIN IN THE TREASURY.

LETTER from the Secretary of the Treasury relative to the amount of Silver Coin on hand and the Facilities for its Safe-keeping in the Sub-Treasury Offices.

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27 January 1883.—Referred to the Committee on Appropriations, and ordered to be printed.

Sir, Treasury Department, 26 January 1883.

I HAVE the honour to invite your attention to the enclosed copies of communications relative to the amount of silver coin on hand and the facilities for its safe-keeping in the Sub-Treasury offices, showing the urgent necessity for providing additional vault room at once for storing silver, or for discontinuing the coinage of the standard silver dollar.

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Since the Act passed 28th February 1878, authorising the coinage of the standard silver dollar, new vaults have been built expressly for storing silver at the following-named offices:

	Dols.	*c.*
Year 1878:		
New York Sub-Treasury, at a cost of	38,687	25
San Francisco Sub-Treasury, at a cost of	17,059	77
Philadelphia Sub-Treasury, at a cost of	8,268	18
Year 1880:		
San Francisco Mint, at a cost of	9,346	08
Baltimore Sub-Treasury, at a cost of	8,268	18
Philadelphia Mint, at a cost of	6,985	52
Year 1882:		
San Francisco Mint, at a cost of	10,000	00
San Francisco Sub-Treasury, at a cost of	6,985	52

These vaults are now practically filled; some of them to their utmost capacity.

Under the law there must be coined at the mints at least 2,000,000 dollars worth of standard silver dollars monthly, and, unless the law is repealed before Congress adjourns this Session, provision must be made for the storage of this year's coinage, say 27,000,000 dollars, less the amount put in circulation.

The increase in the circulation of standard silver dollars between 1st November 1881, and 1st November 1882, was less than a million and a half of dollars; the amount coined during the same time was 27,772,075 dollars.

The office of the Assistant Treasurer at Cincinnati is in a building owned by the Government, but it has been sold, to be delivered as soon as the new building is completed. For this reason, and on account of the small amount of space available, no additional vault was built, and there has been transferred from that office to other Sub-Treasury offices, from time to time, to relieve the vaults, since 28th February 1878, the sum of 3,827,780 dollars in silver.

The office of the Assistant Treasurer at Saint Louis is in a rented building, and in addition to the vaults of the office available for use there has been rented from the Safe Deposit Company in that city a large vault exclusively for storage of standard silver dollars, at a cost of 1,750 dollars per annum.

But the most serious difficulty will be experienced in affording relief to the San Francisco Sub-Treasury. The amount reported on hand, 11th January 1883, was in standard silver dollars, 14,414,000 dollars; fractional silver, 7,374,606 dollars 43 cents; total silver, 21,788,606 dollars 43 cents, or about 628 tons. Both new vaults built for the purpose are now about full, and the Assistant Treasurer reports that there is no further space available in his office for building another vault. The only relief, therefore, that can be given is to transfer to some Sub-Treasury in the East, at a cost of 10,000 dollars for transportation of each million transferred. There is not sufficient appropriation available for the payment of the transportation of the amount required to be transferred in order to properly relieve that office, nor are the Sub-Treasury offices in the East in a condition to receive that amount, as shown by the accompanying reports of the several offices:

Amount in the Treasury 1st January 1883:	*Dols.*	*c.*
Standard silver dollars	94,016,842	00
Fractional silver	26,521,692	20
TOTAL Silver, or about 3,500 tons.	120,538,534	20

In view of the facts stated above and the reports herewith, it is apparent that this Congress should either discontinue the coinage of the standard silver dollars, or make suitable appropriations for building additional vaults in the East, and for the transportation of silver coin from San Francisco, no further space being available for building another vault at that point. The lowest rate for transportation of silver from San Francisco obtainable is 10 dollars per 1,000 dollars.

I am, &c.

Chas. J. Folger,
Secretary.

Hon. J. W. Keifer,
Speaker of the House of Representatives.

(No. 31—Commercial.)

Her Majesty's Minister at *Washington* to the Secretary of State for Foreign Affairs. UNITED STATES.

My Lord, 3 February 1883.

I HAVE the honour to inclose to your Lordship herewith printed copies of a Bill which has been introduced into the House of Representatives to limit the coinage of standard silver dollars to the requirements of the people.

It is affirmed by the advocates of this Bill, that experience shows that, of the 24,000,000 silver dollars yearly coined, only a small proportion can be kept in circulation, and, as proof that such is the case, out of 135,000,000 dollars already coined 96,000,000 dollars are stored in the Treasury vaults. They say, moreover, that, as long as other nations are unwilling to come to an agreement as to a common standard of the conventional value of silver, silver cannot be restored to its function as a medium of exchange in the great commercial transactions of the world, and that the only result of this accumulation of silver coin which is not required for business purposes, will be to sweep all the gold out of the country, and into the coffers of European nations, who are making vigorous efforts to amass it. It is said, however, that the Coinage Committee to which the Bill was referred, has reported against it.

I have, &c.

L. S. Sackville West.

(Enclosure.)

In the House of Representatives, 8 January 1883. Read twice, referred to the Committee on Coinage, Weights and Measures, and ordered to be printed.

Mr. *Fisher* introduced the following Bill:—

A BILL to limit the Coinage of Standard Silver Dollars to the Requirements of the People.

BE it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the passage of this Act, and until an international agreement on a coinage ratio for the use of silver in full legal-tender coinage shall be made by the leading commercial nations, or until the equivalency of bullion value between the standard silver and gold coins of the United States in the markets of the world shall be otherwise secured, the Secretary of the Treasury shall cause to be coined only such number of the standard silver dollars authorized by the Act of February twenty-eighth, eighteen hundred and seventy-eight, as may be required to supply the demand for actual circulation, in lieu of the minimum coinage provided by said Act: *Provided, however,* That not less than one thousand dollars be coined in any one year.

The Under Secretary of State for Foreign Affairs to the Under Secretary of State for India.

Sir, 26 February 1883.

WITH reference to the letter from this office of the 21st instant, I am directed by Her Majesty's Secretary of State for Foreign Affairs to transmit to you, to be laid before the Secretary of State for India in Council, a copy which has been received through Her Majesty's Minister at Washington, of a Joint Resolution introduced in the United States' Senate, concerning the suspension of the coinage of silver bullion.

I am, &c.

Edmond Fitzmaurice.

(Enclosure.)

In the Senate of the United States, 1 February 1883.

Mr. *Morrill* asked and, by unanimous consent, obtained leave to bring in the following Joint Resolution; which was read twice, and referred to the Committee on Finance:—

JOINT RESOLUTION concerning the Suspension of the Coinage of Silver Bullion.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That so much of the Act of Congress of February twenty-eighth, eighteen hundred and seventy-eight, as authorises and directs the Secretary of the Treasury to purchase silver bullion at the market price thereof, not less than two million dollars' worth per month, nor more than four million dollars' worth per month, and cause the same to be coined monthly as fast as so purchased into silver dollars, be, and the same is hereby, suspended.

UNITED STATES.

(No. 70—Commercial.)

Her Majesty's Minister at *Washington* to the Secretary of State for Foreign Affairs.

My Lord, 9 March 1883.

WITH reference to my Despatches, Nos. 31 and 39 of this series, of the 3rd and 13th ultimo respectively, I have the honour to inform your Lordship that Congress failed to pass the following measures having reference to the Silver question:—

1. House of Representatives Bill—
   "To limit Coinage of Standard Silver Dollars to the Requirements of the People."
2. Senate Resolution—
   "Concerning the Suspension of the Coinage of Silver Bullion."

I have, &c.
L. S. Sackville West.

(No. 76—Commercial.)

Her Majesty's Minister at *Washington* to the Secretary of State for Foreign Affairs.

My Lord, 12 March 1883.

WITH reference to my Despatch, No. 70 of this series of yesterday, I have the honour to enclose to your Lordship herewith a Statement of the accumulation of Silver Coin in the Mints and Treasuries of the United States, together with printed copies of a letter addressed by the Secretary of the Treasury to the Speaker of the House of Representatives, which was quoted during a Debate upon this subject.

I have, &c.
L. S. Sackville West.

(Enclosure.)

ACCUMULATION of the SILVER COIN in the Mints and Treasuries of the *United States.*

IT appears from a letter which the Secretary of the Treasury addressed to the Speaker of the House of Representatives that the amount of standard silver dollars, and fractional silver was in bulk, three thousand five hundred tons, equal to about 350 car loads, at 20,000 lbs. per car, on the 1st January 1883. The vaults which contain this silver are now filled, many of them to their utmost capacity, and additional storage room becomes necessary. In view of these facts it is apparent that this Congress, says the Secretary, must either discontinue the coinage of the standard silver dollar, or make suitable appropriations for building additional vaults, and for the transportation of the coin from one mint to another.

At San Francisco there are 21,788,606 dollars in coin, equal to about 628 tons, for the transportation of which to New York the cost will be 10,000 dollars for each million.

The Under Secretary of State for Foreign Affairs to the Under Secretary of State for India.

Sir, 28 January 1884.

Mr. West.
No. 4—Commercial.

I AM directed by the Secretary of State for Foreign Affairs to transmit to you, to be laid before the Earl of Kimberley with reference to the letter from this Office of the 26th ultimo, copy of a Bill which has been brought into the United States Senate, and which relates to Coinage and Silver Certificates.

I am, &c.
Edmond Fitzmaurice.

(Enclosure.)

48th CONGRESS, 1st SESSION.—S. 226.

IN THE SENATE OF THE UNITED STATES.

4th December 1883.—Mr. MORRILL asked, and by unanimous consent obtained, leave to bring in the following Bill, which was read twice, and ordered to lie on the Table:—

A BILL relating to Coinage, Silver Certificates, and United States' Notes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the coinage in the mints of the United States of all silver coins, the one-dollar and three-dollar gold coins, the five-cent and three-cent nickel coins, and

and the one-cent coin, made chiefly or in part of copper, is hereby suspended, except as hereinafter provided.

Section 2.—That the standard for silver coins of the United States shall hereafter be such that, of one thousand parts by weight, nine hundred and twenty-five parts shall be pure silver and seventy-five parts alloy, and the alloy shall be copper.

Section 3.—That all fractional silver coins which may be hereafter coined shall contain silver equal in proportion to their nominal value; that is to say, a half-dollar shall contain fifty per centum, the quarter-dollar shall contain twenty-five per centum, the dime ten per centum, and the half-dime five per centum of the amount of silver in the standard silver dollar.

Section 4.—That whenever the coinage of silver shall be resumed, the fractional silver now in the Treasury, or which may hereafter be received, shall be used for any new silver coinage; and new silver coins shall be exchangeable at par at the mints, at the discretion of the Superintendent, for any other silver coins heretofore authorised by law.

Section 5.—That the standard for the one-cent coinage shall be nickel and copper, to be composed of not less than three-fourths nickel and one-fourth copper.

Section 6.—That the Secretary of the Treasury be, and hereby is, authorised and directed, on and after the first day of July eighteen hundred and eighty-four, not to re-issue any United States' notes of the denomination of two dollars then in the Treasury, or which may thereafter be received; and on and after the first day of January eighteen hundred and eighty-five to cancel, destroy, and not re-issue all United States' notes of a less denomination than five dollars in the Treasury, or thereafter received, and to cease engraving or printing all such notes.

Section 7.—That so much of Section three of the Act of February twenty-eight, eighteen hundred and seventy-eight, entitled, "An Act to authorise the Coinage of the Standard Silver Dollar, and to restore its legal tender character," as authorises the deposit of coin "with the Treasurer or any assistant Treasurer of the United States, in sums not less than ten dollars, and receive therefor certificates of not less than ten dollars each, corresponding with the denomination of the United States' notes," is hereby repealed; but all such silver certificates outstanding on the passage of this Act shall continue to have the same force and effect as if this section had not been enacted.

Section 8.—That the Secretary of the Treasury be, and is hereby, authorised and directed to purchase as bullion, any trade-dollars which may be presented previous to the first day of February eighteen hundred and eighty-four, in sums of not less than twenty dollars, and to pay therefor the market value of silver bullion when so presented, and in addition — per cent. premium.

Section 9.—That the Director of the Mint is hereby authorised and directed to employ, temporarily, five artists or persons distinguished in departments of art, or in knowledge of coinage and medals, to be approved by the Secretary of the Treasury, who shall investigate and examine the whole subject of our existing system of coinage, with a view to its improvement and greater perfection of execution as to metals, relative value, and also as to devices, legends, and inscriptions; and the artists or persons so employed shall each be paid out of the contingent fund provided for the support of the Mint the sum of two thousand five hundred dollars; and any artist or person whose designs for any coin shall be accepted and adopted, as hereinafter provided for, shall be paid the sum of seven hundred and fifty dollars for each design so accepted and adopted.

Section 10.—That on or before the first day of March eighteen hundred and eighty-four the Secretary of the Treasury, the Secretary of State, and the Director of the Mint shall examine the work and designs, together with any explanations submitted by the artists or other persons, as mentioned in the preceding section, and shall transmit the same, accompanied by a report, to Congress, with such recommendations as they shall judge most expedient.

Section 11.—That at the expiration of each fiscal year the Director of the Mint shall cause an examination to be made of all the medals executed at the mint in Philadelphia; and the sum of one thousand dollars shall be paid out of the contingent fund, for the support of the Mint, to the engraver whose workmanship shall appear to have been the best.

The Assistant Under Secretary of State for Foreign Affairs to the Under Secretary of State for India.

Sir, 26 December 1883.

I AM directed by the Secretary of State for Foreign Affairs to transmit to you, to be laid before the Earl of Kimberley, a copy of the Congressional Record of the United States, containing a report of Mr. Morrill's speech on the Bill which he has introduced on the subject of coinage.

In Mr. West's. No. 262—Commercial.

I am, &c.
Philip W. Currie.

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(Enclosure.)

Mr. *Morrill:* The topic I shall mainly discuss to-day, and which, perhaps, I have most at heart, is the improvement of our fractional silver and other minor coinage, not however without bestowing some attention to collateral subjects of perhaps equal importance, embraced in the Bill already presented by me to the Senate.

The problem of a universal legal tender coinage has long perplexed the world, and the vast extension of modern commerce with the fluctuating supplies of the precious metals, tends to perpetuate its difficulties: but American interests are too great to be surrendered to the blunders of others, or of ourselves, whether of action or non-action. Having the primacy in the production of the precious metals, shall we not refuse to confess that we know not how to handle them, neither for our own nor for the general good?

Present Coinage.

The present unsatisfactory condition of our gold and silver coinage, as well as of the token coinage, appears to me so pronounced as to demand the serious and early attention of the Senate. Though nominally representing the double standard, their relative proportional value is a fiction too gross to endure, and when the fiction explodes, as some time it must explode, the heaviest loss will fall upon those least able to bear it. The law from Mount Sinai is against "divers weights great and small." Our silver coins, and all the minor coins, are practically nothing more than tokens representing values received for them much above their actual value. If the Government were poor or its credit strained, such indirect gains might be winked at and tolerated; but the United States, now in full vigour and united manhood, with an overflowing treasury, have no excuse for maintaining such conflicting standards, and such paltry sources of unnecessary revenue, and by expedients which have grown to be inexcusable.

We have a system of internal taxation, and a tariff upon imports; and also, as a supplement beyond all this, a forced contribution levied upon our people of nearly 15 cents upon every silver dollar that comes forth from the Mint, and much more, or to over one-fifth part of the nominal value upon all other silver coinage. This may not improperly be styled tyranny tempered by alloy.

Congress, however, having the exclusive power to coin money, is under the highest promptings of duty to provide the soundest and safest known to the world, and its duty is equally grave to protect the people against raising revenue, much or little, directly or indirectly, by debased coinage, or by a policy not based upon intrinsic value, which has never failed to blot the good name of any Government that has ventured to try the disastrous experiment.

But we do not seem to blush at these profits, whether arising from silver or even copper coinage. When the copper cent was originally authorised by the United States, the first importation of copper—and, then, all had to be imported—cost over 43 cents per pound, or three times as much as it does to-day, when the cent contains less than one-fifth of the weight originally proposed. Copper is now hardly worth more than some of the baser metals—less than the best cast steel—and perhaps not so much as the iron anciently used as money in Sparta, or even as the iron and tin once used in England. Hamilton, whom Jefferson styled as "Colossus," with his usual extraordinary foresight, doubted whether copper would long remain fit for money.

When our silver dollars were first authorised, their intrinsic value was equal to their nominal value, and no more were coined than were wanted for circulation. This was the doctrine and practice of our fathers. Now the actual value of the silver dollar is 85½ cents, instead of 93 cents in 1878, at the start of compulsory coinage; and we are daily doing all we can to depress its value at home by laborious additions to the enormous pile in the Treasury, until it threatens to topple over, carrying with it its false and flimsy scaffolding of equivocating silver certificates, which, when redeemed, must be redeemed in a metal of quite another colour. Silver will not be accepted for certificates while anything much better can be had. The accumulated tons of silver dollars now held by the Treasury are a conspicuous overproduction recognised, distrusted, and avoided by everybody. A glut appears for the moment to make silver, as it does any other commodity, scarcely worth having. Thus we appear to have, so to say, an "elephant" on hand, which, although white, not even Barnum will take off our hands, and which is not only difficult to keep, but, wherever sent, there are neither cages nor pockets ready to receive or to hold.

We are compelled to seek and to use at least 24,000,000 dollars of revenue annually, with an option which allows the use of forty-eight millions, above all that would otherwise be required, in order to perpetuate the colossal folly of hoarding 3,455 tons of silver dollars, 742 tons of fractional silver, and 140 tons of silver bullion, as useless, either to the Government, or to the people, as the buried treasure of Captain Kidd.

Silver Certificates.

Let me say at once that it is not proposed to deprive outstanding silver certificates of any existing functions. Let the nearly one hundred millions now afloat circulate with all their privileges; but their bulk, already excessive, cannot be increased without danger to our whole monetary system.

It may be falsely supposed that the large, constant, and unending accumulation of silver dollars in the Treasury is squarely there for the redemption of outstanding silver certificates; but not one of these certificates ever has been, or ever will be, presented by the holder for redemption in silver. They will all turn up and be tendered at the Custom House instead of gold, the firs moment our exchanges feel the shock of an adverse

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balance of trade, or whenever there is an excess of imports over exports, and then the real difference between the standard of our gold and silver coins will become painfully manifest. We are bound by law to accept and receive silver certificates in violation of our pledged public faith, as the equivalent of gold at the Custom House. When the contingency occurs, exposing the hollow truce existing between our gold and silver standards, gold will become a fugitive, and sink below the horizon, and a flickering single standard of silver, whether up or down, will become dominant. The disastrous effects thus to arise cannot fail to disjoint our whole commerce, and will invade the home of every wage-receiving labourer of the country. Failing to keep our proper share of the products of our own gold mines, as well as silver, all the evils of a suddenly depreciated currency will be sure to revisit us, and with a proclamation that they come to stay. The Pactolian stream of gold will then cease to flow into the Treasury, and instead will come the juiceless flood of silver certificates.

Does any one propose that we shall step down and out from among leading industrial and commercial nations, by having hereafter to base all of our financial and business interests exclusively on silver? Can any one propose at a blow to cut down the wages of labour, and the terms of all contracts, to the extent of 15 or 20 per cent.? Must all of our trade and business enterprises be kept for ever on the look-out for a financial convulsion, suspended only by a hair's breadth in the rate of exchange? If not, then may I not hope that all will unite upon some proper and conservative measure that will save our people the use of both gold and silver? At this moment the amount of silver dollars and fractions in the Treasury never used except in very small sums, and never hoarded, is preposterously large in proportion to the amount of gold coins, which always have been and must continue to be used for all of the hundredfold larger transactions.

Temporary Suspension of Coinage.

A temporary suspension of the coinage of silver cannot reduce the amount in circulation in the least, as it will manifestly be impossible for several years to wholly exhaust the extensive stock now in the overloaded vaults of the Treasury; and all those whose opinions are most entitled to our respect advise that such a suspension will be the only effective policy to checkmate the anti-silver fanaticism supposed to prevail among some foreign nations. It would be stupid to suppose that these nations will ever abandon their gold policy, while we are exerting out utmost power to sustain it, not here, but there, by rolling out of their path the chief obstacle which blocks their way; but which, like the rock of Sisyphus, always rolls back to crush ourselves.

A temporary suspension is also indispensable to enable us to reform and to vastly improve our annual display of coinage, which in 1882 was equal in amount to one-half of the combined annual coinage of all other leading commercial nations.

The purpose of the proposition to cease issuing one and two dollar United States' notes is to bring into circulation a larger amount of silver dollars. The money-order system and postal notes of the Post Office Department—likely, as I am informed, soon to be greatly improved—fully demonstrate that small bills are no longer indispensable for remittances, and may properly be pushed aside to make room for silver dollars.

Coinage Acts.

In discussing the Bill I have introduced, I trust I may be excused for briefly referring to past and existing legislation, although the facts may be in all the horn-books of Congressional Students.

By our first Coinage Act of 1792, based on the plan presented by Jefferson in 1787, one ounce of gold was made the equivalent of 15 in silver; and the gold eagle, eleven-twelfths fine, weighed 270 grains. This proved to be an under-value of silver until 1834, when the gold eagle was reduced in weight to 258 grains, and slightly further reduced by alloy to a fraction below nine-tenths fine, or to eight hundred and ninety-nine and two-tenths thousandths. This made the value of the new eagle 66·68 cents less than the old. The half eagle of 129 grains, and the quarter eagle of 64½ grains, were of the same fineness. In 1837 the gold coinage was raised to nine-tenths fine, and the ratio to silver has since been one to sixteen. The double eagle first appeared in 1849, and the gold dollar in 1853.

In 1792 it was provided by Congress that a silver dollar "of the value of a Spanish milled dollar, as the same is now current," should be coined, and it first appeared in 1794, weighing 416 grains, and it contained 371¼ grains of pure silver. By the Act of 1837 the rate was reduced to 412½ grains, but the amount of pure silver was unchanged. In 1851 the three cent silver coin was authorised ·750 fine, weighing 12½ grains.

By the Act of 1853 all the fractions of the silver dollar were reduced to the ratio of 384 grains to the dollar, nine-tenths fine, and regulated by the metric system of weights, or for halves 12½ grains, quarters 6¼ grains, and dimes 2½ grains; but the weight of the three cent piece was changed to three-fiftieths of the half dollar or to 11·52 grains. This was an unfortunate degradation of these coins, compensated by nothing gained abroad, and doomed them to much loss of prestige at home. Jefferson denied the right of Congress to lessen the value of coins. In consequence of this 7 per cent. shortage of silver in the half dollars we no longer largely export them, as we did formerly to South America and the West Indies, but peddle them out in driblets at home, where they are reluctantly received as "Hobson's choice."

If gold had no foothold in our country from 1792 to 1834, silver had as little from 1837 to 1853, when it was suddenly cheapened and reinstated. It will be observed that, when the merest fraction of difference occurs in the standard value of gold and silver

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coinage, the undervalued coin becomes the sole coin in circulation, increasing its prerogatives as its merits diminish, and inexorably banishes that which is of superior value.

By the Act of 3rd March 1865, when we were perhaps more humble than we have been since, the legend of "In God we trust" was authorised upon all our coins. In 1373 we appear to have lapsed into incredulity, and this inscription was omitted, but at the same time the Coinage Acts were all revised, and the trade dollar had its ill-omened birth. No other important change was made except that the old silver dollar, then the Delilah of nobody, was left out, and, for the reason that none had been coined for many years, none were called for, and none could then have been coined without a positive loss to the Government.

Trade Dollar.

The trade dollar of unusual weight was authorised in consequence of an urgent commercial demand presented exclusively by those engaged in the trade with China, who paid the mint the cost of its manufacture. It bore its exceptional character on its face as a piece of silver weighing 420 grains nine-tenths fine. It was very awkwardly included as a legal tender to the amount of 5 dollars among fractional silver coins, but was known to be worth as bullion 3 or 4 per cent. more than its legal tender value, which wholly precluded it from any such use. When, however, silver began to droop in price, it was plain that many of the 30,834,360 trade dollars which had been exported, might, much to our disadvantage, be returned to our hands, and therefore, by the joint resolution of the House of Representatives, 22nd July 1876 (introduced by Mr. Randall), to which all parties promptly assented, the non-used legal tender power of the trade dollar was withdrawn, but it remained at 1½ per cent. above par for a year and a half afterward. Since then, silver bullion having diminished in value, this commercial rover thrusts itself in our faces and demands to be counted with all the privileges of our eldest born, or as it might have been if it had always belonged to our domestic family of coins, and had not worn on its face the indelible brand of inferiority. The legend "In God we trust," still lingering on this nondescript dollar, is an apt reminder of a coin of Pope Innocent the Eleventh, when under great apprehensions from the King of France, which bore the inscription of "Help Lord, or else I perish," with the figure of St. Peter, vainly trying, like our dollar, to walk on the waters, and piously calling for help. One other eccentricity may also be noticed, not unlike that on the coins of Cromwell, upon one side of which appeared "God with us," and upon the other side "The Commonwealth of England." This caused a cavalier with some wit to say, "God and the Commonwealth are on different sides." The legend on the trade dollar, "In God we trust," is on the obverse side, while it is true that the "United States of America" and the eagle are ominously arrayed on the reverse or opposite side.

Unfortunately all the trade dollars have not left our country for our country's good; they were made here by our machinery; and all that are in the hands of innocent holders should be offered a little chance to get out of the way if they will only depart quickly.

Excess of Silver.

There are in circulation at the present time 93,953,780 dollars of our silver coinage. There are also 141,337,533 dollars more in the Treasury, which the Government would be only too glad to unload. Half as much of fractional silver, and about three times as many silver dollars, are now in the Treasury as are held by the people. Where is it to go? *Cui bono?* The Treasury is thoroughly gorged, and the stomachs of the people are suffering from hopeless indigestion.

It can hardly be doubted that the two or more millions of silver bullion which has been bought every month, and by the overtasked mints converted into more millions of dollars, amounting in five years and seven months to the prodigious sum of 154,370,899 dollars, would have been more largely accepted, and held as ready money by the people, if the Government had left silver to stand on its own merits, and had not enlisted in what seemed almost a crusade to force an excessive and unnatural amount into circulation. Sober legislators appeared to rely upon coercion to popularise the diffusion of silver, and also upon the ponderous creation of an absolute supply to create an equally absolute demand; but the public, wandering in unbelief, declined to be coerced, and subsequent experience to a considerable extent may have confirmed the general and more pronounced lack of faith. It is true that the Government has been and is regularly in the market, for its moon-struck supply of bullion, yet any advantage of an increased or fictitious creation of value upon the general product of silver mines has been, and is, impossible, because all the rest of mankind, or the major part of consumers, are entirely free to buy or not to buy, and especially free to take notice of the fact that our Government is a purchaser on sheer compulsion, bound by positive law to buy, and to hoard a swelling surplus that must, ere long, break through all barriers and inundate all markets. Beclouded by such surroundings, it is not wonderful that the price of silver has been rather adversely affected. The London quotation for silver 28th February 1878 was 55 *d.* per ounce, and has rarely, if ever, been so much since, being to-day 50½ *d.* per ounce, British standard.* Binding itself as a perpetual purchaser has placed the Government too nearly in the attitude of the reckless speculators of the Stock Exchange, or of buying silver to make a "corner" in order to squeeze some outsider. But the action of

* According to United States' standard this shows a declension in value from 108·500 cents per ounce to 99·631 cents, or about 8½ per cent.

of the Government is as bootless as was the stamp of the tyrant's foot to raise armies. We have nothing to show for it except our own perspiration. The patronage of Government bestowed upon silver mines, or nickel mines, or copper mines, to secure their permanent prosperity, is unreliable, and no more should be sought after by them than can be justified by the actual requirements of the Government. It should also be for ever borne in mind that the annual production of our gold mines, heretofore much the largest, is now a little less than our silver mines, and no more favouritism should be shown to one than to the other.

When our standard money is of universal value, circulating without loss elsewhere as well as at home, the increase or decrease of its volume does not materially affect the price of commodities. The intercommunication of the markets of the world preserves values at nearly a universal level, and redresses fluctuations at the bare cost of the transportation of coin.

It would obviously be to our great hurt if our specie should lack harmony with the standard of other commercial nations with whom our chief intercourse must be maintained. Different standards of money are worse, and more inconvenient, than different languages. Whatever disadvantages may now or hereafter arise from adverse exchanges must be borne exclusively by those who adhere to the inferior standard. If we make one dollar in gold or one dollar in silver of the same intrinsic value each bears in London, Frankfort, and Paris, we may coin few or many without appreciable effect upon prices or values. Great Britain is supposed to have large control of the gold standard of Europe, but, if so, it is not derived from her abundant coinage, no gold having been coined there in 1882, and only 209,880 *l.* of silver. Others may soon find that their interests can only be permanently promoted, not by a scramble with all the world for gold, but by uniting with us in giving to both silver and gold at least a fair trial to hold universal and harmonious relations; meanwhile, whatever others may do, the vital interests of our own people cannot be effectually guarded by a left-handed imposition of the silver standard.

Canadian Silver.

When our fractional silver strays into Canada, it is hailed as an intruder, and cannot pass at less than 20 per cent. discount, or our half-dollar shrinks to 40 cents and the quarter to 20 cents; but Canadian silver coins are plentiful on our northern borders, and, though really of less value than our fractional silver coins, they are generally accepted at their full nominal value. Canadian silver should be sternly refused in all American markets, or subjected to a discount of 23·2 per cent., its bullion value. This would be reciprocity, and exclude a nuisance.

Character of our Coinage.

Although the abrasion of large coins, when in connection with the free use of paper currency, is not supposed to exceed 1 per cent. in 50 years, it is considerably more upon small coins. It is, therefore, of some importance that the surface of coins should not be too greatly exposed. Upon the larger coins having possibly the central portions slightly concave, the figures in *bas relief*, further protected by a gradually raised outer border, may be well rounded with little danger. This would give depth for greater boldness in the figures, so much admired on ancient Greek coins, and would also make it impracticable to split coins and substitute baser metals for the inner part extracted, as has too often been practised.

Copper Cents.

Our copper coins, as well as those of other countries, in numbers exceeding all other coins, have been subjected to many fantastic changes. Rude, everywhere, as they originally appeared, the most extensive fabrication has added little grace to relieve them from being everywhere "common and unclean." The copper coins issued in England by Charles II. possessed intrinsic value equal to their nominal value. Charles XII. of Sweden, however, made copper coins of less weight than that of our earliest copper cent, and then paid them to his army as the value of a silver dollar. It is some gratification to find our treatment of copper a little less heroic than that of the Swede.

The earliest American copper coins made by any State were made at Rupert, in Vermont, and before Vermont had been admitted into the Union. A mint was there established for eight or ten years, having a capacity to stamp 60 coppers per minute, upon which the so-called "baby-head," Goddess of Liberty, appeared; but truth compels me to say that this goddess was no more comely than that on the coins of the present day, although she was a hundred years younger. The owner of the mint, Reuben Hannon, was bound to pay the State 2½ per cent. for his privilege. At first these coins passed two for a penny, then four, and then eight, when they no longer paid for the cost, mainly on account of the sudden competition of other States, and of the large importation of Birmingham hardware, commonly called "Bungtown Coppers." We had no protective tariff then, and we have none now against "Bungtowns," whether of copper or silver.

In 1787, by authority of Congress, a contract was made with James Jarvis for three hundred tons of copper coin of the Federal standard, and cents were coined at the New Haven mint of the following description: on one side thirteen circles linked together, a small circle in the middle, with the words "We are one"; on the other side a sun-dial, and below the dial the words "Mind your business."

In 1792 Congress authorised the coinage of a copper cent weighing 264 grains, which was reduced in 1793 to 208 grains, again reduced in 1796 to 168 grains, later to 140 grains, on which the so-called "booby-head" appears, and in 1857 to 72 grains, of which 88 per cent. was to be copper, and 12 per cent. nickel. In 1864 it was once more reduced to 48 grains, 95 per cent. of copper and 5 per cent. of tin or zinc. Finally, in 1872, the last

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last change was made to three-fourths of copper and one-fourth nickel; but the weight remains at 48 grains.

The frequent and wide alterations which have been made in our copper coins show that intrinsic value has almost vanished, and they bear no proportional value to other coins; but, at the start, when copper bore a much higher price, the weight of the cent was fixed at five and a half times what it is now. In the southern portion of our country, and especially on the Pacific coast, copper coins have been as uncurrent as the yellow-coloured Chinamen, or, for a long time, they were practically tabooed, and even now they are unwelcome travellers much in need of a passport. Wherever not altogether snubbed, the copper cent must pass, as Wood's notable copper coins must have passed in America or Ireland, far above any real value, and with little other merit beyond that of the dusky colour now supplied on its face to our recent Indian image of "Liberty." After common use these coins assume a deeper Ethiopic complexion, and become petty nuisances, scents as well as cents, redolent of many coppery smells, which are easily transmitted to other coins, or to anything with which they hold pocket intercourse. Copper as a metal is wondrously useful, daily becoming more so; but neither Lycurgus nor Hamilton would at this day think of stamping it as money. Certainly we can do better. If the cent and two cent coins were now made wholly of nickel, the Government would obtain an ample seigniorage, and nickel, when compared with swartly copper, is immaculate, or clean and bright. The importance of the cent coinage will be realised when we find that over forty million pieces were coined the past year.

The Chinese and Japanese bronze coins are of very light weight, of annular form, with a square hole in the centre, and some of them are quite equal to other exhibitions of Oriental art which are now received with public favour. The specimen of an unauthorised cent made by our mint in 1850 with a round hole in the centre suggests what might be done, if not with a nickel cent, perhaps with a half dime of silver. The present nickel half dimes are so nearly of the same diameter and thickness of a quarter dollar that they are often not readily distinguished; but, with a perforation, square or round, in the centre, all confusion would be remedied, as well by touch as by sight. The three cent. nickel coin, no longer being the amount of letter postage stamps, is no longer wanted, and might well give place to a two cent nickel.

Gold Coins.

The expediency of the original issue of the one-dollar and three-dollar gold coins has not been confirmed by experience. It will be observed, however, that our gold coins are all of equal fineness, and, in proportion to nominal value, of equal weight. At home or abroad, as to actual and relative value, they are not exposed to much criticism; but their beauty, as works of art, is not excessive, the figures being thin and barren of relief, especially the eagle on the twenty-dollar gold coin, which best represents an unstuffed and unmounted flattened skin of some wild bird of prey long packed away by Professor Baird in the vaults of the National Museum.

Silver Coins.

But our silver coins, and all the minor coinage, including tokens, are bewilderingly destitute of symmetry, or any other visible merit, bearing no proportion of intrinsic value to each other, in harmony partly with the troy, and partly with the metric system of weights, some of them defying the laws of their birth, others easily coloured with a gilded lie by the cheapest counterfeiter, none of them having a "coign of 'vantage" as to proportion, design, or beauty of workmanship; and the wider they circulate the wider discredit do they stamp upon the Government. Coins equal in purity and weight to those of the Government now yield a tempting profit to enterprising counterfeiters. Surely Congress is not blameless when authorising such an incoherent and fluttering output of coins, and the invisible genius presiding over the mint from year to year would seem to have been just equal to the law and its profits, or just equal to the inflexible and awkward jobs he had in hand. If our coins were asked who made them, each one might answer in the dialect of Topsy, "I 'spect I growed." I would not unjustly nor ill-naturedly criticise our coinage, but, while itself representing the standard of truth, it should be tried by that standard, however severe the ordeal may be. Able to command the best and highest resources of art, the United States should not be content with the poorest. We have been furnishing silver coinage, durable as it ought to be, for half a century, as though it were a garment annually to be worn out, and to be replaced on every first day of April. But we have given little attention to the material, less to the fit, or its fashion, and Brother Jonathan's style never fails to be recognised, and laughed at. The annual reproduction here of these prolific examples of the general state of the arts seems unworthy of our country. The mint does its mechanical work with wonderful accuracy; but neither power nor means to do anything more has ever been granted or supplied. Some of the engravers on wood for our magazines command better pay than the engravers, the "men of all work" employed at the Mint in Philadelphia, and yet some of the medals executed there are fairly creditable.

Ancient Coinage.

Without making any pretentious display of erudition on the subject of coinage, as my study of the subject has not been so extended as to encourage any vanity of that sort, I will yet venture to call the attention of senators, very briefly, to the character of the coinage of earlier times, more especially to some examples of our English ancestors, with the history of which, whether good or bad, all will be more or less familiar; and, finally, to the absence of artistic perfection exhibited in the unattractive character of our own coinage, of which any one can summon from his pocket a cloud of witnesses.

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What are now often called Roman or Greek medals were really coins put into circulation by the Greek and Roman governments in past ages, and appear, as the invention of a polished people, to have been not merely for service as coins, but were often works of art, or miniature copies of such works, illustrating not only ancient manners, and much of ancient poetry; but they have also served to fix the date of many otherwise debatable facts of history. Many of them were designed to mark victories, like the medals of Napoleon, or notable events, and to perpetuate the fame of rulers, whose faces and actions were thus portrayed in a manner that ensured circulation throughout empires, and throughout future ages. The consent of the Roman Senate was first obtained by Cæsar to place his portrait on Roman coins, and his example appears to have been diligently followed by his successors. Previously only the heads of their deities, or of those who had received divine honours, were placed on their coins; but subsequently the laureated heads, with great prodigality, celebrated their own virtues.

These ancient coins are highly prized, not for the metal they contain, as one of brass or copper* frequently commands a much higher price than its weight in gold; but they are eagerly sought after by collectors to be placed in cabinets, being valuable for the illustration of the epoch, or sometimes as specimens of rare beauty of workmanship; and what was worth the merest pittance when issued by Augustus, or by Anthony and Cleopatra, now often commands a fabulous sum. So highly esteemed are some of these specimens that bogus imitations have been cunningly made, and, after being buried in the earth long enough to apparently acquire the rust and smell of antiquity, they come forth to deceive the very elect, or at least to deceive the collectors of those very rare coins once restored to the sacks of Joseph's brethren; or of those ducats of old Duke Dandolo, said to have been loaned by Shylock to Antonio.

English Coins.

Coming down to later times, we find that in the reign of Queen Elizabeth, when silver money had been much debased, and had also been shamefully clipped, she caused it all to be called in and stamped according to its purity and actual weight. This greatly improved commercial exchanges, promoted trade with other nations, and made in the latter half of the sixteenth century the long-headed and red haired queen very popular. Strange to say, however, while rescuing England from base coin, she still issued it without stint for Ireland. Under the iron rule of Cromwell distinguished French artists were employed upon the coinage of the Commonwealth, and it was ordered, with much spirit, that "in beauty of mechanical execution the coins of this nation should not be behind any "nation." This order was strictly enforced, and England to this day has been unable to show any coins more beautifully designed and engraved than those of the Lord Protector in 1658. Notwithstanding his head was removed from Westminster Abbey, then stuck upon a pole and carried through the streets of London, yet his splendid head by Simon, on silver crowns, has, perhaps, among British coins, had a yet more unrivalled elevation. The guinea issued under Charles II. was so named because made of gold from Guinea, and bore the effigy of an elephant, from the vain idea that the circulation in England might encourage the importation of more gold from Africa.

So eminent a man as Sir Isaac Newton was made Master of the Mint in the reign of George I., as he had been in that of William III., when clipped coins were once more called in and exchanged for new coins of full value. In the reign of George I., with Walpole as minister, the famous Royal patent was granted to William Wood for "coining small money for Ireland and the English Plantations;" and he coined a multitude of spurious shillings from copper or brass, as well as baser "small money for Ireland." "Wood's money" was, however, fiercely assailed by the irrepressible Dean Swift, and the fiat of the Government was scornfully trampled upon by the Irish people.

The coinage under George III., fitly represented by his stolid face, was hardly less wretched than many other monumental facts of his long and wretched reign. The St. George and Dragon that appeared in 1817 on the coins of England, and notably on the gold sovereign which superseded the guinea, was the spirited and very creditable work of Pistrucci, a foreign artist employed by the Prince Regent. The head of George IV., on the coins of his reign, was designed by Chantrey, the sculptor, and is very fine as a portrait, though said to be amazingly flattered.

Fifty five million dollars of gold coins, so late as 1842, were withdrawn by England, and new coins of full weight given at the expense of the Government.

French Coinage.

The Parisian school of coinage, founded by David, the celebrated painter, aimed at first at something better than what may be called the grandiose style, and copied nature, or more of the simplicity and elegance of the Greek medals.

Among the large number of French medals given on 4th July 1822 to our Congressional Library by George W. Erving, and accepted by Congress (but unfortunately destroyed subsequently by the fire in the library), there were many executed with remarkable skill, and nearly all commemorated some event in the history of Napoleon. Fresh copies of these, at small expense, it is supposed, might easily be obtained. In the beauty of workmanship

* Our Washington cent of 1791 now brings over 50 dollars.

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manship, and aptness of device, French coins for many years were held to be superior to those of any other country, especially in the rounded and bolder relief of the figures. But some decadence began under Louis XVIII., and less credit would be due to the flood of coins bearing the dull image of Napoleon III., who had his portrait pompously decorated with the ancient laurel crown, that he might pass, if not as a Roman Cæsar, at least as a legitimate Napoleon.

United States' Coinage.

From time to time many governments have made earnest efforts to improve the style and mechanical execution of their coinage, not always with marked success, but generally with some advance upon the past. The difficulty of hammering flat circular coins having been overcome by the machinery of the mill and screw in 1561, the square, oblong, octagon, and other ruder irregular pieces, were at once superseded. Men of science or of eminence were employed to advise or direct the work of mints, such as Locke and Newton and Herschel in England, and in our own country, Rittenhouse, Boudinot, the Pattersons, and Snowden. The service was held to be both honourable and nationally important, and here early attracted the attention of such men as Jefferson, Hamilton, Franklin, and John Quincy Adams. In one of Franklin's letters he laments that the eagle should have been selected as the emblem of the United States, and writes: "For "my part, I wish the bald eagle had not been chosen as the representative of our "country; he is a bird of bad moral character; he does not get his living honestly." Franklin might have added, that the eagle was already more appropriately claimed on the imperial standards of Russia, Austria, Prussia, and France.

For the reverse sides of our coins there were differences of opinion in Congress, and long and grave debate, as the Senate wanted the portrait of Washington, and the House insisted, with success, upon "a figure emblematic of liberty;" although Representative Livermore, of New Hampshire, is reported to have said, that "the President was a very "good emblem of Liberty; but what an emblematic figure might be he could not tell. "A ghost had been said to be in the shape of the sound of a drum, and so might Liberty, "for aught he knew."

Congress has by law prescribed within narrow bounds the devices and legends to be stamped on our coins. Upon the obverse side there is to be an impression of Liberty, bearing the inscription of the word "Liberty," and the year of coinage; and upon the reverse side there is to be the figure or representation of an eagle, with the inscription, "United States of America," and "E pluribus unum," and a designation of the value of the coin; but on the one and three dollar gold pieces, and on the dime, five, three, and one cent pieces, the figure of the eagle is to be omitted. Upon the reverse of the trade dollar the weight and fineness were to be inscribed.

Emblem of Liberty.

The emblem of Liberty, like that of many other virtues, has been said to be always represented in petticoats. The Britannia of Great Britain appears in form like a near relation to the Liberty or the Minerva often found on old Greek and Roman coins; and in the days of Charles II. the Duchess of Richmond served as a model to the engraver; but more recently, Victoria, by the distinguished medallist Wyon, has been stamped with great excellence upon British coins; and she, like Queen Anne, seems to have occasionally insisted upon decent drapery about the bust.

Our sitting emblem of Liberty on fractional silver looks very like a descendant of our grandmother Britannia, by Clark Mills. Whether she wears long hair, or a jaunty widow's cap, may not be quite clear, and there is no end of crinoline, while the obtruding whalebones in "bas relief" compressing the waist painfully, disclose over-worn corsets. But as our highest effort, and best, on the copper cent, and on the one-dollar and three-dollar gold coins, the head of our emblem appears in the baubles of an Indian princess, doubtless an ideal Pocahontas, "that female bully of the town," with the head accordingly stuck around with feathers, and labelled on the tiara "Liberty." Its circulation in the Indian Territory, I regret to say, has not been commensurate to the witchery of the bait. England strangely omits to stamp on her figure of the lion, "This is a Lion;" but our emblem, safe from all misconception, is always plainly and veraciously branded across the forehead, "Liberty."

I am a stalwart supporter of the consecrated emblem, but would invoke the genius even of flattery to present the American "Liberty" without the feathers of a drum-major, and certainly something better than a Grecian face in the regalia of a squaw, or than a feeble copy of our ancient grandmother.

American Eagles.

We have on our various coins a grim crowd of so-called eagles, chiefly representing a belated evolution from the buzzard family. The different artists, technically, perhaps, of the same family origin, would seem to have spent their whole wit upon their several masterpieces. It is to be hoped, however, that their models, like the griffin and the dodo, are all extinct. Whether their outstretched wings point upward or downward, it is a great comfort to see that the birds are all truly American, as each one loyally shows himself always, and everywhere, a spread eagle. Whoever looks at them may well croak

and

and utter Poe's doleful raven slang of " N-e-v-e-r m-o-r-e," though they are not ravens, as none ever fed little children; but each one, in full-blown dignity, is, as John Neal has said, " a fierce grey bird with bending beak," and not without terrors in a claw. The artists, it must be allowed, are great in profile views of " bending beaks," with feathery appendages; but it cannot be a serious error to suppose their inspiration to have been largely derived from an obedient study of that familiar and rather pungent text which reads, " For wheresoever the carcass is, there will the eagles be gathered together." It will be observed, too, that all of their beaks are wide open, equally ready to dine or to scream.

If the truth must be confessed, our figures of the eagle are not much above caricatures, and exhibit so little of truth and grace of form, that our bakers would refuse to reproduce them in their cakes sold at a dime for a dozen. What should be feathers are hardly to be distinguished from the imbricated backs of that rare bird known as the turtle. The imputed vanity of our bird surely never got its start from any flattery on our coins, though he seems to be stiff there with the purpose of inviting all the double-headed spread eagles of Europe either to a fight or a carousal, not caring a " continental " which.

Strangely enough, the trade dollar has a left-handed figure of " Liberty " sitting on a bale of cotton; but the eagle is certainly not the worst we have, though a monstrosity wonderfully and fearfully made. That on the 20-dollar gold piece, nearly destitute of relief, and in all senses flat, is very uncouthly drawn, with the wings turned wrong side up, like an inverted umbrella in a gust of wind, and tricked out with the trumpery of endless and meaningless scroll decorations. But, unhappily, on our latest dollar will be found the *blandest* and, possibly, where all are ugly, our most abominable eagle; unless we except the one on the wing which once appeared as a scarecrow on the silver dollar, afterward belittled as the eagle *volant* on the copper cent, and was then esteemed the nearest of kin to the vulture, as some plain matter-of-fact people will call the stray figure which seems determined to roost upon the head of Liberty at the top of the capital. I would not take a feather from our " Majestic monarch of the clouds," but would have him appear, if I could, more in the truthful dignity and beauty of nature; and then dismiss the whole brood of invented eagles.

The Mint fettered by Law.

The Director of the Mint, the coiner and engraver, do not appear to have any discretion in regard to existing coins, which must be made from " the original dies already autho- " rised," and " conformable in all respects to the law," and mainly the law of 80 years' standing. It is, even under the law of 1873, only when new coins or devices are authorised, that the Director of the Mint has power to seek any improvements through the services of competent artists. This law was in the right direction, but wholly inoperative, as it has no application except " when new coins or devices are authorised." No new coins being authorised, no changes can be made in the old matrices and dies, and the engraver, however expert and skilful, has no possible opportunity to show any rare skill or advancement in the perfection of his work. Nor can his ambition be greatly stimulated by his rather limited compensation. Quantity, not quality, would seem to have been best appreciated; and, while we have eclipsed the world in quantity, we have suffered an eclipse in quality.

Reform desirable.

Is it not time that we should put forth some effort to improve the general character and appearance of our coinage? What may have been acceptable, and even creditable, to our people in 1792, or in 1837, is no more applicable to our condition now than would be the garments of a boy to the man after a lapse of half a century. We do not now depend upon foreign skill or upon foreign metals for our coinage; and a great nation cannot afford to have any work which is exclusively under its control pass as second-rate. We are prone to suggest doubts as to whether the people of this or that nation are competent to sustain a republican form of government. With the several examples of state-craft shown in attempts to regulate our coinage, which have too often decorated United States' statutes, can we blame those *we* have criticised if they occasionally remind us that our government has not yet passed beyond the region of experiment? But can we not have United States' coins with more of positive value, allied and related to each other, and stamped with such simplicity of design and beauty of finish as to give them rank as models worthy to endure for many generations?

First, our coins should, from their size and character, be easily distinguishable, whether by sight or touch, one from another; and there should be no silver or nickel coins which, by being gilded, would simulate and pass for gold. At present our silver dime is apparently of the same size as the three-cent piece and the gold quarter-eagle; and the first and last have the same ancient Britannia doing her best as the latest edition of American liberty. The latest copper cent is very like the three-dollar gold piece, with a similar picture of the head of an Indian Venus de Modoc as the emblem of Liberty. Some of the nickel five-cent pieces, costing less than half a cent, are so nearly of the same size and weight as the gold half eagle, that they have already been gilded and circulated for 1,000 times their real value. We have now in circulation five-cent pieces, as well as three-cent pieces, diverse in metal, form, inscription, and in value; and those made of the

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dearest metal are executed in the cheapest and most common-place manner. On one of the five-cent pieces the design has been said to suggest its origin in old pictures of a tombstone overhung by weeping willows. The clumsy execution and ill-assorted relations of these coins will be recognised at sight by everybody except their god-fathers.

Too much Alloy.

There is so much alloy in our silver coins that they do not remain bright and attractive; when handled as change they become, after the briefest contact with their fellow-associates, as dingy as the dullest lead, and tempt no one to break any commandment, for they are never coveted. Solid silver ware, when no finer than United States' coin, retains so little of permanent brilliancy, that it has been almost dethroned by plated ware; not altogether because burglars refuse the cheaper substitute, but because the substitute displays the beauty of silver more nearly in its absolute purity, and its lustre, though only skin-deep, does not vanish like that of the night-blooming cereus, in a single night. Our silver coins should not be inferior in purity to the sterling standard of Great Britain; but it must be admitted that our current small coins are suggestive of no nobler use than that found in paying a reckoning at a corner grocery. They ought to contain enough of the precious metals to preserve them from the owner's contempt, and to ensure some hospitality wherever they lodge. They ought, also, to be so good as to banish the circulation here of Canadian silver, which, though uninvited, comes in large force, demanding American privileges.

The actual weight of pure silver in our fractional coins is as much too small as that of the alloy is too great, and as works of art they have little merit, or far less than the works daily exhibited by our artificers in metals less precious. Believing that some reform would be a great and lasting public benefit, I am induced to urge a higher real value in fractional silver coins, or a restoration to the proportions of the silver dollar which they always held until degraded in order to find a French market, which they failed to reach, by the Act of 1853; and also to urge that the purity of the metal, now nine-tenths fine, shall be not less than that of the sterling silver of Great Britain, or 925 1,000ths fine. The copper cent, it is to be hoped, may be abandoned and gradually superseded by another less poisonous, composed chiefly of nickel, and for above two mills in value. Our token coinage not being redeemable, we cannot afford to send it forth glaringly deficient in intrinsic value.

Conclusion.

Beyond all these points, let me urge that our coins in aptness of design, and perfection of artistic execution, shall not be inferior, as they confessedly are, to any foreign examples, and certainly not inferior to the ordinary work of the best silversmiths and goldsmiths. As St. Paul said to the Philippians: "Whatsoever things are true, whatsoever "things are honest, whatsoever things are just, whatsoever things are pure, whatsoever "things are lovely, whatsoever things are of good report; if there be any virtue, and if "there be any praise, think on these things."

The questions, as I have intended to present them, are practical and political, but not partisan, except among twinkling demagogues, who may shine for the moment like jack-o'-lanterns in a dark swamp, and are snuffed out by the first rays of morning light. Let us have American coins so good that the people will be willing to work for them, and gladly carry them at their own expense, without asking free transportation from the Government.

The Greeks and Romans left no monuments illustrating their career more permanent than their coins. We have ceremoniously deposited in the corner stones of many large edifices specimens of the United States' coins. Should these ever become visible to a distant posterity, will they be likely to reflect much honour upon those who have thus challenged future consideration? The rapid extinction going on of our public debt, and the wonderful growth of the country in population and wealth, indicate that our great seaport on the Atlantic, and possibly another on the Pacific, may ere long prove to be an aggressive competitor for the controlling monetary power of the world. Producing all the silver and gold that we require for domestic use, with a large surplus to supply the demands of others less fortunate, may we not declare in Cromwellian phraseology, "that, in the beauty of mechanical execution, the coins of this nation should not be "behind any nation;" and, therefore, let me urge that here and now is a proper time and opportunity for some action creditable to the Government, worthy of Congress, and such as will have the lasting approval of the people.

Mr. President, I ask that the Bill lie on the table until the Committee on Finance shall have been appointed.

The President, *pro tempore*. The Bill will be laid on the table, if there be no objection, to be referred to the Committee on Finance, when appointed.

MEXICO.

REPORT by Mr. *Lionel E. G. Carden*, on the Trade and Commerce of Mexico, 1883.

THE coining of silver here being merely done for the purposes of taxation, and not to meet the requirements of the circulation, silver dollars, at any rate those intended for export, must be looked upon as any other form of merchandise. As will be seen from the accompanying Table and Chart (Annex 10), showing the amounts passed through the different mints in the last ten years, the annual coinage for the last half of that period has averaged 24,194,398 dollars, whereas the exports of coin for the same years have only averaged 16,549,861 dollars. It will be evident to every one that the requirements of Mexican commerce are not such as to demand an annual addition to the currency of 7,500,000 dollars for five years consecutively, and the only explanation possible is that the Returns of Exports are very much under the mark, and that large quantities of specie must have been habitually smuggled out of the country.

VALUES of the EXPORTS of MERCHANDISE and BULLION from *England* and *France* and the *United States* to *Mexico*, for the past Twenty-five Years, taken from the Official Returns of those Countries, and reduced to £. sterling.

YEARS.	Exports of Merchandise the Produce of the Country of Procedure.				Exports of Merchandise the Produce of Countries other than that of Procedure.				Exports of Bullion and Specie from			Total Exports of Merchandise and Bullion from England, France, and United States, to Mexico.
	England.	France.	United States.	Totals.	England.	France.	United States.	Totals.	England.	France.	United States.	
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1857 - - -	567,311	712,888	628,675	1,908,874	44,332	193,971	124,493	362,796	- -	- -	- -	2,271,670
1858 - - -	411,831	452,061	579,761	1,443,653	38,775	169,108	110,411	318,294	- -	- -	625	1,762,572
1859 - - -	597,899	515,509	469,200	1,582,608	49,459	177,506	142,787	369,752	- -	- -	11,460	1,963,820
1860 - - -	462,604	489,710	689,454	1,641,768	76,345	206,440	419,861	702,646	- -	- -	6,117	2,350,531
1861 - - -	583,657	538,343	324,805	1,446,805	69,205	167,877	135,797	372,879	873	1,080	1,042	1,822,679
Average - - -	524,660	541,702	538,379	1,604,741	- -	- -	- -	425,273	- -	- -	- -	2,034,254
1862 - - -	757,823	648,932	375,964	1,777,719	59,047	175,092	76,726	310,865	14,999	- -	- -	2,103,583
1863 - - -	1,678,572	656,547	1,061,869	3,396,988	70,210	232,149	328,968	631,327	122,472	326,631	10,747	4,488,165
1864 - - -	1,809,753	2,293,161	1,011,085	5,113,999	422,079	534,336	365,332	1,321,747	12,834	183,637	658,922	7,291,139
1865 - - -	1,896,895	2,309,135	1,425,327	5,631,357	70,494	519,304	527,264	1,117,062	- -	- -	138,383	6,886,802
1866 - - -	1,283,213	1,540,814	550,833	3,374,860	49,291	586,305	181,587	817,183	- -	204	3,125	4,195,372
Average - - -	1,485,251	1,488,718	885,015	3,858,984	- -	- -	- -	839,638	- -	- -	- -	4,993,012
1867 - - -	813,948	450,231	712,709	1,976,888	77,486	342,857	122,954	543,297	- -	32	8,011	2,528,228
1868 - - -	848,588	620,978	751,253	2,220,819	43,489	390,271	290,191	723,951	- -	- -	2,692	2,947,462
1869 - - -	631,724	464,742	579,061	1,675,527	53,398	201,638	218,210	473,246	- -	- -	417	2,149,190
1870 - - -	910,882	398,868	769,774	2,079,524	147,246	204,077	274,782	626,105	- -	899	2,437	2,708,965
1871 - - -	1,069,013	501,569	929,947	2,500,529	149,013	108,179	535,017	792,209	- -	- -	8,021	3,300,759
Average - - -	854,831	487,277	748,549	2,090,657	- -	- -	- -	631,761	- -	- -	- -	2,726,920

1872	843,186	698,304	636,283	2,177,773	56,352	203,891	444,361	704,604	- -	- -	5,208	2,887,585
1873	1,194,124	716,732	713,953	2,624,809	185,749	452,328	488,614	1,126,691	- -	- -	29,958	3,781,458
1874	1,124,613	655,925	747,051	2,527,589	198,263	246,617	402,227	847,107	- -	- -	11,986	3,386,682
1875	884,901	702,744	713,865	2,301,510	95,815	266,013	390,623	752,451	- -	- -	4,956	3,058,917
1876	502,224	458,069	859,097	1,819,390	74,590	135,888	312,790	523,268	100	- -	1,208	2,343,966
Average	909,809	646,355	734,050	2,290,214	- -	- -	- -	790,824	- -	- -	- -	3,091,721
1877	995,510	734,835	868,789	2,599,134	76,205	287,938	289,519	653,662	- -	- -	1,091	3,253,887
1878	773,331	705,285	1,181,185	2,659,801	86,617	599,484	343,598	1,029,699	- -	- -	6,704	3,696,204
1879	693,123	551,214	1,125,079	2,369,416	72,136	514,891	282,472	869,499	- -	5,978	1,050	3,245,943
1880	1,225,567	702,612	1,263,745	3,191,924	57,513	552,302	375,108	984,923	- -	211,584	702	4,389,133
1881	1,607,306	950,926	1,916,266	4,474,498	78,145	913,973	411,388	1,403,506	- -	1,280	- -	5,879,284
Average	1,058,967	728,974	1,271,013	3,058,954	- -	- -	- -	988,258	- -	- -	- -	4,092,890

N.B.—In reducing the values of the French and American exports to sterling, francs have been calculated at 25 = £. sterling; and dollars at $4\frac{8}{100}$ = £. sterling.

VALUES of the EXPORTS of BULLION and SPECIE from *Mexico*, from 1 July 1872 to 30 June 1882, as per Mexican Official Returns.

ARTICLES OF EXPORT.	1872–73.	1873–74.	1874–75.	1875–76.	1876–77.	Average.	1877–78.	1878–79.	1879–80.	1880–81.	1881–82.	Average.
	Dollars.	*Dollars.*	*Dollars.*			*llars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
Silver and gold in coin - -	23,262,803	18,437,179	16,937,640	No Returns published by the Government		19,545,874	†19,777,268	†18,289,246	†18,079,105	†14,116,372	†12,487,317	16,549,861
„ „ in bar - -	1,706,966	1,705,045	2,037,911			1,816,640	2,615,491	2,873,495	3,460,210	4,497,508	4,024,627	3,494,266
„ „ in other forms -	* 294,031	* 932,456	*1,318,770			848,419	191,841	321,876	497,019	640,124	551,823	440,537
TOTAL precious metals - - -	25,263,800	21,074,680	20,294,321	- -	- -	22,210,933	22,584,600	21,484,617	22,036,334	19,254,004	17,063,767	20,484,664

* During these three years, copper, tin, and bronze were included among the precious metals, and their exports averaged 36,027 dollars per annum. In 1877, and subsequently, they were included among "other articles."
† Since 1877 foreign gold and silver coin has been included under this head. The values exported in the last five years average 526,166 dollars per annum.

VALUES of the IMPORTS of MERCHANDISE and BULLION into *England, France,* and the *United States,* from *Mexico,* for the past Twenty-five Years, taken from the Official Returns of those Countries, and reduced to £. sterling.

YEARS.	Imports of Merchandise.			Total Imports of Merchandise.	Imports of Bullion and Specie.			Total Imports of Bullion and Specie.	Grand Total of Imports into England, France, and the United States, from Mexico.
	England.	France.	United States.		England.	France.	United States.		
	£.	£.	£.	£.	£.	£.	£.	£.	£.
1857	342,383	207,020	213,932	763,335	*	22,911	1,033,122	1,056,033	1,819,368
1858	317,568	230,174	230,938	778,680	44,609	2,924	910,201	957,734	1,736,414
1859	380,499	168,135	259,184	807,818	33,505	8,361	853,311	895,177	1,702,995
1860	491,221	174,534	396,548	1,062,303	30,003	6,345	1,048,425	1,084,773	2,147,076
1861	347,529	174,137	184,607	706,273	57,851	5,562	583,979	647,392	1,353,665
Average £.	375,840	190,800	257,042	823,682	33,194	9,221	885,808	928,223	1,751,903
1862	619,508	157,432	170,377	947,317	349,102	12,431	388,967	750,500	1,697,817
1863	2,294,337	196,795	634,142	3,125,274	283,209	25,220	309,521	617,950	3,743,224
1864	3,129,334	244,436	1,276,759	4,650,529	204,337	230,751	365,822	800,910	5,451,439
1865	3,216,924	228,149	1,296,015	4,741,088	122,585	462,936	236,104	821,625	5,562,713
1866	813,478	153,396	359,603	826,477	34,544	720,728	506,148	1,261,420	2,087,897
Average £.	1,914,716	196,042	747,379	2,858,137	198,755	290,414	361,312	850,481	3,708,618
1867	315,168	130,310	223,320	668,798	37,874	786,045	593,550	1,417,469	2,086,267
1868	350,664	226,431	331,389	908,484	3,702	538,732	942,761	1,485,195	2,393,679
1869	350,570	305,168	486,701	1,142,439	6,110	686,856	1,019,967	1,712,933	2,855,372
1870	299,813	240,298	565,763	1,105,874	600,635	537,526	2,163,201	3,301,362	4,407,236
1871	397,334	212,302	668,685	1,278,321	820,474	482,520	2,979,474	4,282,468	5,560,789
Average £.	342,710	222,902	455,172	1,020,784	293,759	606,336	1,539,790	2,439,885	3,460,669

1872	448,524	302,898	833,942	1,580,364	733,936	246,184	938,376	1,918,496	3,498,860
1873	499,532	244,988	890,868	1,635,388	854,002	1,671,502	2,532,096	5,057,600	6,692,988
1874	546,651	302,513	905,493	1,754,657	1,087,095	946,615	1,852,821	3,886,531	5,641,188
1875	721,907	493,398	1,078,040	2,293,345	854,711	1,350,263	1,345,914	3,550,888	5,844,233
1876	662,132	426,568	1,073,036	2,161,736	768,674	883,969	1,532,329	3,184,912	5,346,648
Average - - - £.	574,749	354,073	956,276	1,885,098	859,683	1,019,695	1,640,307	3,519,685	5,404,783
1877	798,857	259,832	1,084,222	2,142,911	1,037,578	1,251,483	2,133,399	4,422,460	6,565,371
1878	507,082	253,515	1,094,063	1,854,660	844,581	1,557,173	1,748,780	4,150,534	6,005,194
1879	582,759	318,581	1,144,421	2,045,761	955,566	1,698,472	1,782,209	4,436,246	6,482,007
1880	628,071	347,335	1,501,999	2,477,405	584,540	1,041,203	1,809,130	3,524,873	6,002,278
1881	591,435	329,716	1,732,875	2,654,026	316,605	1,387,083†	1,903,401	3,607,089	6,261,115
Average - - - £.	621,641	301,796	1,311,516	2,234,953	747,774	1,387,083	1,893,383	4,028,240	6,263,193

N.B.—In reducing the values of the French and American exports to sterling, francs have been calculated at 25 = 1 *l.*, and dollars at 4·80 = 1 *l.*

* No Returns were published for this year.

† Not having the Returns of bullion for this year, I have taken the average of the four preceding years.

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CHART showing the AVERAGE ANNUAL COINAGE at the different MINTS during the past Ten Years.

TABLE showing the Amounts of the GOLD, SILVER, and COPPER coined in each of the different MINTS in *Mexico* during the past Ten Years, taken from the latest Official Return.

Years.	Zacatecas.	Mexico.	Guanajuato.	S. Luis Potosí.	Guadalajara.	Chihuahua.	Alamos.	Culiacan.	Durango.	Hermosillo	Oaxaca.	Total Coinage.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
1872-73	4,398,000	4,654,818	4,292,000	2,559,880	628,693	737,000	897,050	789,800	489,084	840,191	230,544	20,517,040
1873-74	4,186,830	3,706,404	4,416,000	2,357,958	944,635	958,760	790,963	729,781	729,079	730,178	178,187	19,728,775
1874-75	5,056,490	3,002,000	4,683,060	2,275,865	1,161,635	907,031	965,244	781,052	744,413	557,569	136,989	20,271,288
1875-76	5,083,845	3,632,650	4,625,876	1,936,500	1,143,380	999,732	777,900	813,786	693,050	450,946	136,444	20,294,109
1876-77	4,822,365	4,887,950	4,771,500	2,091,964	1,321,585	660,164	925,634	824,202	885,950	789,980	138,649	22,119,913
1877-78	4,965,720	4,799,300	4,829,764	2,020,126	1,467,960	911,606	1,055,818	896,362	867,516	877,998	135,394	22,817,564
1878-79	4,825,111	5,435,300	4,528,840	2,519,110	1,418,491	806,025	770,298	941,181	878,817	557,010	157,310	22,837,493
1879-80	5,743,960	5,548,250	4,531,190	2,354,830	1,510,678	949,772	864,811	968,315	930,048	716,855	135,770	24,554,489
1880-81	6,003,790	5,922,950	4,281,430	2,315,750	1,374,256	1,175,534	930,153	1,269,404	1,008,214	718,730	148,510	25,151,721
1881-82	6,031,770	6,444,000	4,404,300	2,345,215	1,329,756	1,354,467	1,096,151	958,793	1,026,362	492,992	127,015	25,610,821
Average for 10 Years - £.	5,111,788	4,833,362	4,536,381	2,277,720	1,230,107	946,309	907,402	896,268	825,248	673,245	152,481	22,390,311

CHILI.

CHILI.

REPORT by Vice-Consul *Mark* on the Trade and Commerce of Caldera for the Year 1879.

Silver Mines.—The silver mines of this province produced less during the year 1879 than for many years past, owing to the poor per-centage of the ores found and the lack of new rich discoveries. In the district of Chañarcillo, which has given since its discovery in 1832 from 200,000,000 dollars to 300,000,000 dollars worth of pure silver, the mines are getting so deep that only the richest ore will repay the expenses of extraction. Five of them are over 550 metres in depth, and the deepest is 680 metres. There the ores found near the surface are termed "metales calidos," that is, "warm ores," so-called from the facility with which they can be amalgamated with mercury, and they consist of chlorides, bromides, and iodides of silver. These are nearly exhausted now, but in the depths of the mines from 200 metres below the surface to the bottom are found the "metales frios," or "cold ores," so-called from the difficulty with which they are amalgamated. These last consist of several combinations of silver, with sulphur, arsenic, and antimony, and often show veins of native silver. In the Lomas Bayas district the chlorides prevail, and are giving good results. In the Tres Puntas region, which has all kinds of ore, the mines are not very promising just now.

REPORT by Consul *Drummond Hay* on the Trade and Commerce of Valparaiso for the Years 1879 and 1880.

Silver.—The mining production appears to have suffered in the same manner as copper. Statistics for the whole coast do not exist, but commercial estimates make out that 500,000 marks have been exported from Chili in 1880, which is 100,000 marks less than in 1879. This decrease may be owing to the war, in consequence of which many mines in Bolivia suspended operations.

REPORTS by Vice-Consul *Barnett* on the Trade of Autofagasta.

Six Months ending 30 June 1881.

Silver.—The production of the mines of Autofagasta district has fallen off considerably during the last few years. There are indications of a slight improvement again, and, as labour and means of transit from the mines to the coast cheapen, there is every prospect of more work being done. The mines are at a distance of about 120 miles north-east from Autofagasta. There is a railway for about 70 miles, but the remaining distance is over a heavy sandy road without water.

Freight on all goods from Autofagasta to the Caracoles mines, including the railway freight, is 2 dollars per Spanish quintal; and from Caracoles to the port, 1 dollar per quintal.

The output of the mines is brought down in the ore to Autofagasta, to be worked up into bar silver either by amalgamation or by smelting in the two establishments, one on each principle.

Total

Total export of silver for the six months—

	Marks.	Value.
		Dol. *c.*
From January to 30 June 1881, in bar silver.	81,504	764,859 02
From January to 30 June 1881, in other forms.	4,776	Unknown.
TOTAL for six months, 1881 - -	86,280	—

	Marks.
Total export of silver in 1878 - - - - - -	357,332
„ „ 1879 - - - - - -	302,526
„ „ 1880 - - - - - -	239,619

The above exports refer only to the production of the district of Autofagasta. In the years 1878 and 1879 a portion of the production of silver from the Bolivian interior, mines of Huanchaca, passed through Autofagasta. The war which broke out in 1879 interfered with the transit. In 1878, 170,154 marks of Huanchaca metal was exported through Autofagasta; and in 1879, 17,830 marks. There is no authentic information as to the export of silver from Autofagasta previously to 1878.

Copper.—The export of this product is in the form of silver-copper regulus, but there are no statistics as to the quantity exported.

Imports.—The only direct importations from abroad to Autofagasta are coal and coke. Previously to 1878 there are no statistics obtainable.

The imports were—

	Coal.	Coke.
	Tons.	*Tons.*
In 1878 - - - - -	12,400	504
„ 1879 - - - - -	27,800	1,500
„ 1880 - - - - -	24,700	1,600
„ 1881 (six months, January to June)	6,900	1,030

1882.

Silver.—Total exports for 1882:—

	Weight.	Value.
	Marks.	*Dol.* *c.*
In bar - - - - - - -	267,405·70	Declared 2,497,659 10
In other forms - - - - -	9,290·96	{Unknown, Estimate} 60,000 00
Total in 1882 - - - -	276,696·66	
„ 1881 - - - -	224,494·19	
„ 1880 - - - -	239,619	
„ 1879 - - - -	302,526	
„ 1878 - - - -	357,332	

CHILI.

1883.

Decrease in exports during 1883 compared with 1882:	*Marks.*
Silver, bars - - - - - - - - -	49,207·35
„ other forms - - - - - - -	3,091·76
TOTAL - - -	52,299·11

Silver, contrary to expectations, shows a falling off in export to a considerable amount. The improved appearance of the mines at the latter end of 1882, was not long maintained in 1883. The precious metal came in "pockets," which did not last, and left the veins perhaps poorer than before.

VENEZUELA.

VENEZUELA.

REPORT by Mr. *Bunch* on the Foreign Trade of Venezuela.

GOLD MINES OF GUAYANA.

THE gold mines of Caratal district, State of Guayana, continue to be very productive. Comparatively little is heard of them in Europe, on account of their inaccessibility, and also owing to natural reticence of the parties interested in them, who wish to avoid foreign competition. From a Return furnished to me by Mr. Vice-Consul Mathison, it appears that during thirteen years and a half, from 1866 to 1878, the amount shipped at Ciudad Bolivar was 662,302 ounces, which, at 80 *s.* to the ounce, amounts to 2,649,208 *l.* sterling. From the 1st January to the 30th June 1879, there were exported 61,134 ounces, worth 244,536 *l.* sterling. This is what has been officially declared, but a great deal of bullion is also carried away by passengers, and of this there is no record.

New gold fields of extraordinary richness have been lately discovered near Pastora, which, I am given to understand exceed in richness those which have been worked hitherto. Notwithstanding the constant political disturbances, capital is being atracted to this district, and I learn that an English company proposes to invest largely in this direction.

Great numbers of British subjects, mostly men of colour from Trinidad and other West Indian islands, are employed in the mines. It is said that their number reaches 4,000. As complaints are rare in the Vice-Consulate of Ciudad Bolivar, it is to be presumed that they are fairly treated. The visit to the mining district of Mr. Mathison, which was authorised by the Foreign Office, was abandoned for this year on account of the revolution in Guayana at the end of January last. It is only practicable during the dry season. The matter will not be lost sight of. A report such as Mr. Mathison is capable of making will be very useful in many ways. It may be said that the gold fields of Guayana are unknown to the world at large.

REPORT by Vice-Consul *Mathison* on the Trade and Commerce of Ciudad Bolivar, for the Year 1879.

GOLD.

THIS is the chief and almost, it may be said, the only industry of the State, on which both public and private incomes more or less depend. Absorbing as it does almost all the labour of the State, by offering superior inducements, it renders every other enterprise entirely hopeless.

Agriculture only exists on a very small scale, and gold mining is the sole pre-occupation of all minds. Gold mining in this vice-consular district, as an industry

industry, only dates, it may be said, from 1866, when companies were formed for working this hitherto undeveloped source of wealth. But, whether from the enormous expenses which have to be incurred in importing and setting up suitable machinery, the transporting of it to Caratal, a distance of about 150 miles from Port Las Tablas by bullock wagons, the exceptional dearness of labour, provisions, and fuel, which latter has to be procured from the adjacent forests at great outlay, for the working of steam machinery, the fact is, that until now only one, the Callao Company, has returned dividends to its shareholders.

This company possesses a mine of extraordinary richness, perhaps the richest gold mine in the world, and pays enormous dividends to its shareholders.

The gold mining companies at present organised and at work are specified in Return No. XIII.

A fair average of the yield of the quartz of the different companies is 2½ oz. the ton.

A new gold field, said to be of vast extent and richness, has been recently discovered at a place called Cicapra, about 150 miles from this city, and 50 miles N.E. of Caratal.

A good deal of gold has been obtained lately from this locality, but this has only been surface gold, According, however, to the opinion of experienced mining engineers, who have visited that district, it is likely to become, if properly developed, amongst the richest of these auriferous regions.

STATEMENT of the Gold from the Caratal Mines, State of Guayana, shipped at the Port of Ciudad Bolivar during the Year ended the 31st December 1878.

	Ounces.		*Ounces.*
January - - - -	8,119·09	August - - - -	10,459·89
February - - - -	6,317·49	September - - - -	8,894·09
March - - - -	6,686·33	October - - - -	9,409·62
April - - - - -	4,826·14	November - - -	9,676·33
May - - - - -	4,225·77	December - - - -	10,658·67
June - - - - -	7,300·33	TOTAL - - -	95,204·$\frac{79}{100}$
July - - - - -	8,631·04		

STATEMENT of the Monthly Remittances of the Gold Mining Companies, State of Guayana, Venezuela, during the Year 1879.

Name of Company.	January.	February.	March.	April.	May.	June.
	Ounces.	*Ounces.*	*Ounces.*	*Ounces.*	*Ounces.*	*Ounces.*
Callao - - -	3,707·14	5,839·31	4,447·17	4,715·12½	1,705·59	1,344·04
Potosi - - -	609·10	1,223	1,134	1,576·90	1,491·70	550·50
Mocupia and New York	497·25	1,174·50	965	803·75	992·12½	853·50
Caratal - - -	350·50	664·50	559·25	392·50	481·75	528
Nueva Hansa - -	- -	251·50	79·87	- -	- -	34
Eureka - - -	- -	- -	- -	- -	- -	159·88
TOTAL - - -	5,136·99	9,152·81	7,185·29	7,488·27½	4,671·16½	3,469·92

Name of Company.	July.	August.	September.	October.	November.	December.	TOTAL.
	Ounces.	*Ounces.*	*Ounces.*	*Ounces.*	*Ounces.*	*Ounces.*	*Ounces.*
Callao - - -	1,635·46	2,235·60	3,542·12	3,491	3,367·75	3,331·62	39,861·92½
Potosi - - -	919·10	1,200	1,283·10	965	1,335·10	1,290	13,577·50
Mocupia and New York	870·50	1,108·75	928·18	1,051	1,172·06	1,369·12	11,785·73½
Caratal - - -	764	557·25	846	533·50	368	518 50	6,563·75
Nueva Hansa - -	32·25	- -	- -	- -	143	141·19	681·81
Eureka - - -	117·50	- -	- -	- -	- -	- -	277·38
TOTAL - - -	4,338·81	5,101·60	6,599·40	6,040·50	6,385·91	7,150·43	72,748·$\frac{10}{100}$

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REPORT by Colonel *C. E. Mansfield* upon Mining in Venezuela.

THE Venezuelan term "mina" or mine has little or no relation to the English word mine, and it must be borne in mind that the Venezuelan term is almost exclusively used to denote a superficies of 10,000 square metres: for example, it is constantly stated that a given number of mines, say 10, or say 200, has been accorded in this or that concession, which is equivalent to saying 10 or 200 "allotments" of 10,000 square metres each.

In superficial measurements in Venezuela, a "barranco" is equivalent to 100 square metres, and a mina or mine to 10,000 square metres in 10 barrancos.

According to documents preserved in the archives of the Ministry of Finance, the following constitute the principal mineral deposits known to exist in Venezuela, but do not include the gold fields of Venezuelan Guayana:—

Copper and lead in Bailadores.
Iron in Nirgua.
Gold in Pueblo Nuevo, Coro.
Lead in Cariaguito, Cumaná.
Copper and iron in Bailadores.
Gold and iron in Minda.
Silver in Cumaná.
Copper in the township of Carrizal and Guaicaipuro.
Sulphate of iron and lead in Cumaná.
Silver and iron in Cariaco.
Iron, lead, and silver in Carúpano.
Iron and gold in Aragua and Cumaná.
Copper with iron in Carrizal.
Asphalt or bitumen at the mouths of the streams Manamo and Padernales, on the Lower Orinoco.
Copper at Yagüen.
Gold, silver, and copper in Baruta.
Copper in San Antonio.
Copper in Duaca, in Barquisimeto.
Gold in Carayaca.
Iron in San Antonio.
Copper in La Victoria.
Coal in Rio Chico.
Coal in Curamichate.
Coal in Guaracarumbo and Piaco, in Guayana, and at Obispito, in Coro.
Gold at Petaquire.

Mines of Carúpano.

The mines of Gran Polve, Cariaquito, Rivilla, El Carmen, San Francisco, El Campanario, two of the name of Ericante, La Colombia, or El Colombiano, and La Union, are situated more or less some two leagues from the port of Carúpano on the southern slope of the mountains.

The first eight are of sulphuret of lead, rich in silver, always containing gold and frequently copper; in the other two, more especially La Colombia, the lodes of copper contain argentiferous lead.

There is abundance of wood in the immediate vicinity of the above, and through the lands of the Rivilla; as its name denotes, there flows a river of considerable volume, while in the others there is no lack of excellent water for drinking purposes; the climate is fresh and thoroughly healthy.

The mineral can be extracted in galleries in the hill-side, and, no deep horizontal shafts being for the present necessary, the working could be carried on with unusual facility.

The above have hitherto been but slightly worked, but the proximity of the sea and of the port of Carúpano would of course offer exceptional advantages.

Mines of Carabobo.

In the south-east of the State of Carabobo there exists an extensive gold-field commencing on the right bank of the River Torito, or of the Torugito as far as Nirgua, and it is believed much further in the direction of the Yuruary.

In the time of the Spaniards extensive workings were in operation, of which traces may still be observed in the gorge of the Barrera. Gold is to be found in considerable quantities on the surface, and it would seem almost impossible that so much mineral wealth should long remain unexplored and unworked.

The copper mines of Aroa have long been worked by an English Company, and an extensive annual export of ore is carried on with the port of Swansea.

Various Localities.

Gold has lately been met with in the neighbourhood of La Guayra, at Maiquetia, and almost daily discoveries of the same character are reported in some locality of the Republic, hitherto not known as possessing auriferous deposits.

Guayana.

The great gold-field of Guayana is at present directly under the Federal Government, but will probably at no distant date be constituted into a territory.

The following, a translation of the Report by General Vincent Ibarra, Inspector-General of Mines, was presented to Congress in the year 1882, and will be found to be of considerable entertainment to those interested in the development of the mineral wealth of Venezuela. No information of value has been presented to Congress in the following year, but, if public rumour be true, none of the mining companies in operation are at present in so flourishing a condition as was the case some two years since.

Chapter I.—*Origin of Mining in Guayana.*

About 30 years ago the River Yuruary was found to contain sand of an auriferous character, but for many years the search for gold was confined to the bed of the river, and it was only recently that in the district named at first El Caratal, and subsequently New Providence, "placeres" or gold deposits were discovered.

The report of this discovery caused the return of gold-diggers who had abandoned the search owing to the unremunerative character of gold washing in the Yuruary.

Gold ore is usually found in lodes at a depth not exceeding two or three feet from the surface, in alluvial soil, or at a greater depth, but in an almost pure condition, in a formation of a grey colour, called chalk "greda" by the natives.

A considerable quantity of gold was found in the district El Caratal, and some of the nuggets extracted from the "placeres" Moco de Hierro, La Planada, and Picato Don Francisco, weighed upwards of 64 ozs.

Consequent upon the above, numbers of miners explored the adjacent district, and discovered various strata of auriferous quartz, and thus formed the nucleus of the mines known as La Corina, Santa Maria, El Tigre, El Peru, Chile, Panamá, Callao, and Pinta Dalla Costa.

The Government did not at first impose any tax upon the gold, but subsequently followed the example of Spain, and exacted a royalty of one-fifth of the net produce. This form of taxation very shortly became obsolete, and the Government determined to give plots of ground named "barrancos," varying in size from four to ten square metres, on lease, at a monthly rent of eight to ten reals (3 *s.* 6 *d.*) The "barrancos" therefore, were worked by miners, on condition of surrendering their lease should the result not prove satisfactory.

At that time the use of machinery was unknown, and the only "placeres" sufficiently rich in auriferous quartz to be remunerative under such adverse circumstances were those of Callao and Chile; but, on the other hand, these facts went far to show that, under more enlightened management, a wide field for commercial enterprise might be opened. The attention of capitalists was drawn to the existence of the gold-fields, and in 1867 Mr. J. B. Austin obtained a grant of land for mining purposes on the banks of the Yuruary.

Two companies, named La Guayana and Buen Retiro, had already made some attempt at gold-digging; attempts attended with no other result than that of an entire loss of capital; this failure, however, must not be attributed to an absence of ore, but rather to other extraneous causes.

It is not necessary in this Report to enter into the history of all the native and foreign companies settled in the mining districts, and it will suffice to indicate the general result of the work carried out up to this date.

The names of the Companies, native as well as foreign, settled in the Rosco district, are as follows:—

1. El Callao National Mining Company, situated near the village of El Callao.

2. Orinoco Exploring and Mining Company, situated near Nacupai.

3. South America Mining Company, situated near the village of Panamá.

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4. Mocupia and New York Mining Company, situated near the village of Chile.

5. Potosi Mining Company, situated near Chile.

6. Nueva Providencia National Mining Company, situated in the district of New Providence.

7. Nueva Hansa National Mining Company, situated in the district of New Providence.

8. San Luis National Mining Company, situated in the district of New Providence.

9. Independiente National Mining Company, situated in the district of New Providence.

10. Union National Mining Company, situated in the district of New Providence.

11. Eureka National Mining Company, situated in the district of New Providence.

12. Caratal Mining Company, under foreign management, situated in the district of New Providence.

13. New York and South America Mining Company, under foreign management, situated near the village of Pinta Dalla Costa.

14. Concordia National Mining Company, near the village El Chocó.

15. San Salvador National Mining Company, eight or nine leagues south of New Providence, near El Merey.

16. El Porvenir National Mining Company, near New Providence.

17. Alianza de Cicapra Mining Company, at Cicapra.

18. Arbolito Mining Company, six or seven leagues distant from Cicapra.

19. Alianza Mining Company, at Botanamo.

20. Buen Retiro Mining Company, between New Providence and Nacupay.

21. La Guayanesa Mining Company, at New Providence.

22. Sulfuros de Hierro Mining Company, at El Callao.

23. Bolivar Hill Mining Company, between El Callao and Panamá.

24. Callao Bis Mining Company, at El Callao.

All these Companies, with the exception of Callao Bis, San Salvador, and Porvenir, which are still in possession of 400,000 to 500,000 dollars, have disbursed sums amounting to upwards of 4,000,000 dollars. The nominal capital, consisting of land, machinery, &c., is, of course, double that sum.

These Societies may be classed under four heads, viz. :—

1. Companies at present producing gold in considerable quantities: Callao, Mocupia and New York, and Potosí.

2. Companies which have not yet expended their entire capital: La Alianza, San Salvador, Porvenir, Callao Bis, and Arbolito.

3. Companies which have ceased working owing to a want of funds: Concordia, San Luis, Orinoco, South America, Caratal, Independiente, Union, Eureka, and New Providence.

4. Companies which have ceased working owing to the absence of satisfactory results; Buen Retiro, Guayana, Sulfuros de Hierro y Cobre, and Botanamo.

The average produce of the three mines in working order is as follows: Callao, 5,000 ounces of gold per month; Mocupia and New York, 1,300 ounces of gold per month; and Potosí, 1,500 ounces of gold per month.

It

It has been calculated that, were the financial condition of Orinoco, South America, Caratal, Nueva Hansa, and Union improve the average monthly produce of these mines should respectively amount to 2,000, 1,200, 800, 500, 800 ounces of gold.

The failure of so many societies arises from the insufficiency of working capital, difficulties of transport, deficiency of experienced managers, and especially the rise in price of manual labour. Since 1870 wages have risen gradually from 17 reals (7 *s.* 1 *d.*) per day of 12 hours to 32 reals (13 *s.* 3 *d.*) per day of eight hours, and, when the quantity of gold found does not reach two ounces per ton of ore, the expense of working exceeds the sum of profits.

Competent authorities on mining questions consider the gold-fields of the Yuruary to be richer in precious metal than many of the most productive districts in California; and it is to be hoped that the Liberal Government of General Guzman Blanco will continue to afford powerful aid towards the development of a region so well known for its extraordinary mineral wealth.

Up to 1867 the annual export of gold from the mines of Guayana was comparatively insignificant, but since that date the sum may be roundly stated at 25,000,000 dollars.

REPORT by Vice-Consul *Reddan* on the Gold Mines, &c., of Venezuela, dated 9th of July 1884.

Existence of Gold in the Territory.—Of the existence of gold in this region accounts are as old as its discovery, from the repeated expeditions of Spanish, English, and Dutch adventurers in quest of it. From those remote times, and without taking into account the many explorations and workings made by the Spanish missioners, nothing certain was made known with respect to the gold discoveries before the year 1790, when the authorities of Upata informed the King of Spain that a certain Manual Antonio Mayorga had discovered gold in the neighbourhood of Upata; what the result of this discovery was is not known. Fifty years later a Brazilian named Pedro Joaquin Ayres visited the neighbourhood and town of Tupuquen, and made known the existence and locality of the auriferous sands of the Yuruary. Little importance, however, was attached to his assertion, though he gave the best of proofs; and, when they were nearly forgotten, some six years later, in 1848, the time of the gold discovery in California, M. Andres Hemandez Morales, Dr. Plassard, Pedro Monasterios, and others, animated by those recollections and certain articles which were published by the press at that time, established gold-washings in the sands of the River Yuruary, and in the valley of the Anacupay, from which they obtained considerable quantities of gold. The Government of the State, having no longer any doubt of the discovery of gold, and of the riches of this region, began to take effectual means for profiting by them; and the silent forests on the borders of the Yuruary began to be populated so rapidly that in the year 1857, one year after the discovery of the Caratal by Frederick Sommer, a native of Prussia, who had been engaged in business in Tupuquen for many years previous, and to whom the honour of the discovery of this rich district is really due, there was already a nucleus of a population of more than 400 hardy adventurers, who, according to the most reliable data, produced in that year considerably more than 250,000 dollars' worth of gold, the greater part in dust and nuggets, some of those of large size, and two of which merit special mention, one of pure gold weighing 250 ounces; the other, a small bar of 24 ounces These were found in the gold-bearing clay by one Lina Acuna, a miner, and caused great excitement at the time, proving as they did the riches of the workings of those diggings. The workings were exceedingly imperfect, due partly to the complete ignorance of mining of the persons who carried them on; and partly to the want of capital, which rendered it impossible for them to erect the apparatus necessary for the crushing of the rock, and freeing from water, &c., the pits or "barrancos," as they were called, from which the auriferous clay was taken out. The clay was afterwards washed in wooden vessels of a conical form called "bateas," in which, as was natural, much gold was lost.

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In this imperfect manner the workings of the rich placers were continued until the year 1860, when some merchants and others of Ciudad Bolivar and Upata, stimulated by the quantity of gold that was being daily found, resolved to form a company for the purpose of working a concession. The Government having passed suitable laws, and having both guarantee and inducement, various companies began to be formed, which, for the first time, introduced steam-engines and quartz-crushing machines from the United States into the country.

The first of these companies was, as already remarked, formed principally by the merchants of Ciudad Bolivar, who subscribed, as they imagined, the necessary capital, having little idea of the nature of the enterprise they were about to undertake. The name of the first company was the "Yuruary Gold-Mining Company," and not "Buen Retiro," as erroneously supposed, this being the name of only a part of the property, which was acquired later on. The date of its formation was the 20th March 1860, and the paid-up capital of the company was 8,000 *l.*, which was further increased to 12,000 *l.* This was the first company that introduced machinery, though not the first machine which was used for the purpose of extracting the gold from the quartz; as an Englishman named Spenser had a small crushing mill long before, which was driven by a mule and used to produce from 60 to 80 ounces of gold weekly.

The Yuruary Company sent a man named Girard to the United States to purchase the best quartz-crushing machine he could find. But he, knowing nothing whatever about such machines, bought what turned out afterwards to be nothing more than a *bone-crushing* machine. The weight of the whole affair with its accessories, was 4,000 lbs., and its cost 1,000 *l.* To transport this to Caracal, another 1,000 *l.* were spent; and before it was mounted with its "three small stamp heads," useless, from their size and weight, for crushing the hard rock, the company had to make another call. When mounted it gave no results worth mentioning; and the consequence was the shareholders lost faith in the concern and had it wound up. It was the owners' intention to reorganize the company with foreign capital, but it was not carried out.

It is remarkable that during the early days, when only the placers were worked, gold is quoted in the papers of Ciudad Bolivar at the high price of 18 to 19 American dollars per ounce, thereby giving to understand that the merchants dealt largely in it.

It is much to be regretted that no data of the quantity produced from the placers during the early days of gold mining in Guayana are to be obtained.

The other companies which began to be formed soon after the Yuruary introduced better machinery, which gave good results, notwithstanding the innumerable obstacles they had to overcome in regard to the heavy expense of transporting the ponderous machinery from the Orinoco to the mines, over a country without roads or ways of communication, and the many other serious difficulties of a new country where everything was scarce and outrageously dear.

It was generally believed at the time when these mines were discovered, that the land in which they were situated was simply an alluvial deposit, and, consequently, the gold which existed in them was not derived from the immediate neighbourhood. But the more exact information which long experience has given concerning them has demonstrated the great inaccuracy of such an opinion from the evidence afforded by the discovery of the precious metals in the quartz veins which run through the country in all directions, and the richness of which is unquestionably immense. It may be said without exaggeration that it favourably compares, so far as it has been worked, with either California or Australia, or any other of the known gold fields of modern times.

The Guayana gold-fields, which are presumed to extend almost continuously from the Orinoco to the confines of British Guayana and Brazil, and from the great mountain range of the Imataca, which runs into the Atlantic Ocean, to far beyond the western boundary of the territory, which is the River Caroni, cover an extent of ground considerably larger than Great Britain and Ireland, and of which little is known, as they have never been properly explored, much less surveyed.

In no portion of this immense gold-bearing region have the mines been worked other than in the insignificant part which a 12-mile circumference incloses. And even here in the older and most populous part, few of them can be

be said to have been much more than imperfectly prospected, the majority not having been proved at all, while in the more distant parts of the Territory no work whatever has been done, large sections remaining unexplored.

The gold resources of the Territory are being constantly multiplied by the discovery of new localities, such as the famous Cicapra district, whose placers are yielding large quantities of gold, imperfectly worked as they are; and many former discoveries, which at the outset failed to meet the high hopes formed of them, are beginning to attract with greatest zest the parties who long since considered them as worthless.

The most notable lodes discovered, when I visited the mining district in 1883, were the world-famed El Callao, Chile, Nucupay, Panamá, and Peru. Many others, such as the Tigre, Hansa, and Union, gave great promise of discovering more lodes later on.

That many of the companies here have experienced great and severe losses there is no doubt. This, however, is not to be attributed entirely to the yield of the mines, but rather to various other causes, such as in many cases the properties being under the control of managers who never saw a mine before they came here, and consequently knew nothing whatever of managing them; and also the very great cost of labour, transport, and fuel. Beginning at a time when there were no ways of communication, labour and material enormously high, as they still are in a great measure, it is no wonder that, as the reports of the El Callao Company state, "men should become downhearted and lose confidence;" and, were it not for the unbounded faith which those early miners had in the richness of the locality, they would never have continued. Time, however, has well proved that such faith was not misplaced, and so it will continue as the various mines now working increase their yield of gold.

The history of quartz-mining the world over is the same, and it is only after long years of trials and losses, and when the proper experience is gained, that places which were formerly considered as worthless, due, no doubt, to ignorance and gross mismanagement, begin to prove the contrary.

The 10 or 12 years' work in the small corner of this immense Territory have taught many and good lessons, which, indeed, have not been thrown away. And now, as the traveller crosses the River Yuruary, and beholds the extensive works, and the large and costly plant, including magnificent quartz mills, first-class machinery, and all the latest and best improvements in quartz mining, with which the various companies are provided, he cannot fail to observe and say that the future of this rich Territory has much of the best side before it.

In vein mining there has been a steady and healthful progress for the past year. More experienced managers have come to direct the workings of the various companies; and it is to be hoped that there will be fewer examples of failure than were common some few years ago, when mills were built and started only to run for a short time and then shut down permanently.

The quartz mills at present at work have been going on steadily for the past year 1883, and a more hopeful tone prevails than hitherto. Several mills previously built which have been idle for a long time have been brought into service, and others are preparing to begin work. In no year since the formation of companies has there been more interest manifested in the mines of Guayana; and now that they are becoming more widely known and appreciated they are getting more favourable chances to develop themselves. Still it cannot be denied that what has happened in other gold-bearing regions of the world has been going on here for some time, and it is that speculators, attracted by the numerous veins exposed upon the surface, try to form companies in which they not unfrequently succeed, not, however, for the purpose of developing the mines, but rather with the object of the selling of stock with which the markets of the world are flooded. By such a mode of working the place is beginning to acquire an unenviable notoriety, which only years of struggle will outlive.

It is to be sincerely hoped, however, that such experienced and able managers as are at present at the head of the various companies, men of long years of experience in the other mining regions of the world, who are now proving the riches of the Guayana gold-fields, will do all in their power to discountenance the formation of such companies.

No better proof of the richness of this region can be given than by calling attention to the yearly increase in the yield of gold. There is no falling-off,

VENEZUELA.

but a steady and a very noteworthy upward advance. It will be said, however, that the great bulk of the gold comes from *one mine*, the El Callao. Very true, but it would be unreasonable to suppose on that account that all the gold of this vast region is centred in that one spot. There is also another important fact, and it is, that the population is rapidly increasing. Few leave, and those that do, return. Manual labour is at a demand, and capital and skill are at present required.

In considering the future of gold-mining in this country, now in its infancy, it must be borne in mind that the great extent of the gold-bearing territory, as already described, is immense, and very rich placers abound all over.

The number of companies formed for the purpose of acquiring and working the concessions granted by the Government, since the year 1860 to the 31st December 1883, has been 42, representing nominal capital to the extent of 12,328,000 *l.* Of these 42 companies, 16 were Venezuelan, representing capital to the amount of 1,818,000 *l.*; 17 English, with nominal capital of 5,948,000 *l.*; five American, with 4,368,000 *l.*; three French, with 432,000 *l.* nominal capital; and one German, with 32,000 *l.*

Now, deducting the sum of 1,590,000 *l.*, the capital of six companies, which, though offered to the public, met with no response and did not proceed to work, and there remains the large amount of 10,738,000 *l.* for the other 36 companies, which have all considerable interests in the mining territory.

Of these 36 companies, 29 introduced machinery for the purpose of working the mines. (It is much to be regretted, notwithstanding the efforts made to obtain the quantity, its value, and where imported from, with other particulars, that only a small portion thereof could be obtained.)

Twenty companies produced gold to the amount of 1,045,836$\frac{195}{1000}$ ozs. of standard gold, namely:—

	Companies.	Standard Gold.
		Ozs.
Venezuelan - - - -	7	623,837·551
American - - - - -	5	264,302·779
English - - - - -	6	152,932·865
French - - - - -	1	203
German - - - - -	1	4,560
	20	1,045,836·195

The total amount of gold produced from the Territory and shipped from Ciudad Bolivar from the year 1866, when the returns of gold began to be kept, to the 31st December 1883 (18 years), was 1,323,275$\frac{5}{8}$ ozs., which, at the rate of 3 *l.* 17 *s.* 6 *d.* per ounce, gives the large sum of 5,137,686 *l.* 12 *s.* 7 *d.*; and if to this amount be added 500,000 ozs. more, as representing the amount of gold as taken from the gold-bearing region previous to 1866, and the amount carried away clandestinely during those eighteen years by private parties, as also stolen, we shall have, as a fair estimate, the amount of 1,823,275$\frac{5}{8}$ ozs., at the rate of 3 *l.* 17 *s.* 6 *d.* per oz., 6,887,686 *l.* 12 *s.* 7 *d.*, rather below than above the figure, however, as the total product of this small part of this immense region for the time it has been worked.

ARGENTINE REPUBLIC.

REPORT by Mr. *Egerton* on the Silver Industry of Tucuman.

The traffic from Bolivia to Tucuman is almost entirely carried on mule-back, the ingots of silver sewn up in leather. Between the 27th April 1879 and the 30th April of this year, 51,726 packages of merchandise and machinery from Europe passed through Tucuman in transit for Bolivia. The estimated value of these was 11,000,000 hard dollars.

Within the same period the transit trade from Bolivia was as follows :—

In 1879, from the 27th April, of bar silver 73,553 marks, value 800,000 hard dollars ; of silver ores and tin in bars, value 2,300,000 hard dollars.

In 1880, and 1881 to the 30th April, of bar silver, 193,813 marks, value 2,100,000 dollars ; of silver ores and tin in bars, value 5,250,000 hard dollars ; of cinchona bark, valued at 200,000 hard dollars ; and 1,500,000 hard dollars in gold and silver coin.

In all, therefore, the Bolivian produce which has passed through Tucuman in transit during the last two years may be put at a value of 12,500,000 hard dollars, or about 2,700,000 *l.*

The increase in the Bolivian silver produce is great, I should remark, and the profits prodigious, more especially in one mine, Huanchaca mine.

REPORT by Mr. *Dering* on the Commerce, Navigation, and Finance of the Argentine Republic for the Year 1881.

MOVEMENT of precious Metals during 1881.

This is the first year respecting which any trustworthy statistics have been published as to the import and export of precious metals between the Argentine Republic and other countries. From the following Table it will be seen that 50 per cent. of this business is transacted with England, and 35 per cent. with the neighbouring Republic of Uruguay, leaving a fragmentary balance of 15 per cent. to represent the transactions with other countries.

MOVEMENT of Gold and Silver in 1881.

	Import.	Export.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
Germany	249	—	249
Bolivia	306,962	28,795	335,757
Brazil	133,310	17,758	151,068
Chile	68,800	—	68,800
Spain	7,500	—	7,500
France	57,953	293,538	351,491
England	2,247,048	1,388,466	3,635,514
Paraguay	49,451	33,029	82,480
Uruguay	1,286,375	1,229,719	2,516,094
TOTAL	4,157,648	2,991,305	7,148,953

CHINA.

CHINA.

REPORT on the Trade of *Canton* for the Year 1880.

IMPORT and Export of Treasure.

	Imports.			Exports.			TOTAL.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.
To and from foreign ports - - -	466,789	8	–	500,728	6	8	967,517	14	8
To and from native ports - - -	60,169	10	4	143,056	2	8	203,225	13	–
TOTAL - - - £.	526,958	18	4	643,784	9	4	1,170,743	7	8

Imports include 55,170 *l.* worth of copper cash.

REPORT on the Trade of *Wuhu* for the Year 1880.

Treasure.—The amount of treasure imported during the year was 280,659 Haikwan taels (80,689 *l.*). The amount exported was 3,493,402 Haikwan taels (1,004,353 *l.*), including copper cash, value 1,802 Haikwan taels (518 *l.*). Both the import and the export were carried on through all the four quarters of the year. Nine-tenths of the export was down river to Chinkiang or Shanghae. The total value of the trade of the port for the year in question was, exclusive of treasure, imports 852,522 *l.*, exports 304,944 *l.* The value of the imports therefore only exceeded that of the exports by 547,608 *l.* Under these circumstances, it is worthy of being noted that the export of treasure exceeded the import by 923,664 *l.* This must mean that treasure, like opium, is quick to avail itself of the most advantageous means of conveyance, and that some of the districts in this neighbourhood, which still receive foreign goods by junk from Chinkiang, find it cheaper and safer to remit the money in payment by steamer from Wuhu.

REPORT by Mr. *W. Gavin Stronach*, Consul, on the Trade of *Wénchow* during the Year 1881.

Silver, 206,500 *l.*, and copper cash, 5,300 *l.*, were sent to Shanghae and Ningpo. This is, roughly, 113,000 *l.* more than the balance of trade as evidenced by Imperial Maritime Customs. The native trade is an unknown quantity, and it is perilous to follow natives in their dealings with figures. Taking, however, these uncertain guides, who give native junk imports at 424,000 *l.*, and exports at 112,000 *l.*, the balance of trade, as shown by the treasure movements known to the foreign Customs, is more than accounted for.

It is not obvious where this drain is fed from. It would seem as if the area which takes and pays for all these imports, found it cheaper to pay down that silver for them which it gets by sending its products out by other routes. It is somewhat of a paradox, but I can suggest no better. The fisheries outside are worked by Foochow men, who take their nettings down there, while they pay for their necessities off the port. That is but a small instance in which the paradox is true; but what of the inland regions? If this is the natural inlet for their wants, it is the natural outlet for their produce. I leave the problem unsolved. It suggests that the native banking fraternity are but feebly alive to their opportunities in this region, in allowing all this bullion to "eat its head off" in perpetual travelling expenses and waste of time on the route.

REPORT by Consul *Sinclair*, on the Trade of *Foochow* for the Year 1881.

EXCHANGE.

The money market has throughout the past season shown much less activity than during the season of 1880. One reason for this has been the decrease in the first cost of teas up country, only some 3,500,000 dollars having been sent into the interior for advances to the native cultivators, as against 5,500,000 dollars in 1880. This business of advances to the native teamen seems to be steadily falling into the hands of the native banks and financiers, the amount advanced by foreigners for 1881 being less than 10 per cent. of the total amount, as against some 18 per cent. in 1880, and over 40 per cent. in 1876.

Exchange on London has shown but little variation during the year, except early in July, at the time of the Silver Conference in Paris, when the rate for four months' mercantile bills rose to 3 *s.* 10$\frac{3}{4}$ *d.* With the subsequent reaction on the failure of the Conference negotiations, the rate weakened to 3 *s.* 8$\frac{1}{4}$ *d.*, the lowest point touched. Otherwise, the rate has fluctuated steadily between 3 *s.* 8$\frac{3}{4}$ *d.* and 3 *s.* 9$\frac{1}{4}$ *d.* The average value of the dollar throughout the year has been 3 *s.* 8$\frac{1}{8}$ *d.*, the average exchange for four months' commercial bills 3 *s.* 9 *d.*

The market for sterling is mainly governed by the sterling markets in Hong Kong and Shanghae, which again are ruled by the price of bar-silver in London, the standard of sterling exchange in all countries where silver currency alone exists, such as India and China. There are, of course, local motives, such as an extraordinary activity in the export of teas, a deficiency in the supply of dollars, &c., and among others may be mentioned the amount of treasure imported by the exchange banks early in the season, and later on by the demand for remittances to Shanghae and Hong Kong among the Chinese, which is supplied by the drafts of the banks.

The treasure imported and exported during the twelve months ending 31st December 1881, according to the Customs Returns, is as follows:—

IMPORTED.		EXPORTED.	
	Dollars.		*Dollars.*
From Hong Kong - - -	3,709,180	To Hong Kong - - - -	1,886,423
Swatow - - - - -	332,700	Swatow - - - -	11,190
Amoy - - - - -	313,972	Amoy - - - - -	51,400
Taiwan-foo - - - -	1,000	Shanghae - - - -	330,250
Shanghae - - - -	461,858		
	4,818,710		2,279,263

It has been a feature of this year's trade that almost half the amount has been re-exported, the reason being the sudden and unexpected tightness in the latter half of the year, firstly in the money market at Canton, where Foochow currency of broken dollars sold by weight is accepted, and secondly and later in the year by a tightness in the Indian money markets, causing a large export of Foochow currency from Hong Kong to the mints of Bombay and Calcutta for the purpose of coinage. Another reason undoubtedly is the decrease in the export and value of teas, which has caused a comparatively less amount of sterling bills to be purchased by the banks than in former years. The very large demand for remittances to Shanghae on Chinese account, estimated at nearly 11,500,000 dollars, has also tended to the same result. This demand, showing so large and steady an increase, would tend to prove a considerable expansion of the trade between this port and the northern parts of the Empire. Last year the estimated amount drawn by banks (native as well as foreign) on Shanghae, did not exceed 9,000,000 dollars. It would be interesting to know in what channels of trade this expansion has taken place.

JAPAN.

JAPAN.

REPORT by Consul *Dohmen* to Mr. *Kennedy*; Kanagawa, 20th May 1880.

Silver money has almost disappeared from circulation among the natives; the only silver of any importance left in the country is held by a few wealthy merchants, who keep it locked up, and by the Government. This circumstance would seem to explain why an occasional issue of silver by the Government exercises such a powerful effect on the satzu market. It seems doubtful, however, whether Government control, however magical it may appear to be, is still able to effect a permanent improvement of its paper currency: the depreciation has assumed too serious proportions to regulate the rate on a sound and durable basis by expedients such as I have above mentioned. In my opinion, confidence, which evidently must be greatly shaken to cause such a disturbance in the financial situation of the country, can only be restored by actual redemption of at least a portion of the satzu in circulation, or by, what might have the same effect, a formal promise of redemption.

The Japanese silver yen has since the 19th September last been accepted by the foreign banks on a par with the Mexican dollar, and has virtually expelled the latter from circulation in this country.

The attempt which has been made to make this coin a legal tender in the Colony of Hong Kong has as yet proved unsuccessful, though it is generally admitted by mercantile men that it would be an advantage to trade if the silver yen were accepted in China also. It would remain to be seen, however, whether Japan has silver in sufficient quantity at command to expel the Mexican dollar also from China.

GENERAL Report by Mr. *Kennedy* on the Foreign Trade of Japan for the Year 1879.

Treasure.—The importation of treasure in 1879 amounted to 3,135,870 dollars, and the exportation to 13,235,118 dollars. The difference against Japan is therefore 10,099,248 dollars.

REPORTS by Acting Consul *Aston* on the Trade of the Ports of Hiôgo and Osaka.

1880.

Silver yen are now the currency at the open ports, Mexican dollars having almost entirely disappeared. During the last few years a large amount of bullion has left the country, and it is probable that of all the silver yen and subsidiary coin made at the mint fully one-half has been exported, leaving, say, 8,000,000 silver yen and 7,000,000 yen in subsidiary coin still in the country.

The expectation to which I adverted in my last Report, that the silver yen would be made a legal tender in Hong Kong, has not been realized. Japanese paper currency has continued to decline in value, being quoted at the end of the year at 167 paper to 100 silver yen. It is impossible to exaggerate the disadvantage of an irredeemable paper currency of unknown extent to the mercantile interests of any country, and it may safely be said that, until the currency of Japan is put on some sound basis, it is impossible to expect any permanent improvement in trade.

I annex two Returns of the import and export to and from Shanghae and Hong Kong of bullion and specie during the year. It will be seen that they differ from each other, and from the custom-house Return given elsewhere.

CHAMBER of COMMERCE STATISTICS.

RETURN of Import and Export of Treasure.

	Dollars.
Imported - - - - - - - -	1,208,300
Exported - - - - - - - -	1,697,000

Mr. BYRNE'S CIRCULAR.

RETURN of Import and Export of Treasure.

	Dollars.
Imported - - - - - - - -	1,903,687
Exported - - - - - - - -	1,489,043

The following statements of the coins struck at the Mint, and of the acids manufactured there during the year, have been placed at my disposal by the kindness of the Commissioner of the Mint.

STATEMENT of the Amount of Coins produced at the Imperial Mint, *Osaka*, from the 1st January to the 31st December 1880.

Denominations.	Value.			
	Yen.	*sen.*	*Yen.*	*sen.*
Gold:				
20 yen - - - - -	2,100	00		
10 „ - - - - -	1,380	00		
5 „ - - - - -	393,915	00		
2 „ - - - - -	176	00		
1 „ - - - - -	113	00		
			397,684	00
Silver:				
1 yen (trade dollar) - -	5,428,500	00		
50 sen - - - - -	90	00		
20 „ - - - - -	19	40		
10 „ - - - - -	7	80		
5 „ - - - - -	4	00		
			5,428,621	20
Copper:				
2 sen - - - - -	662,846	14		
1 „ - - - - -	339,478	10		
½ „ - - - - -	70,454	47		
1 rin - - - - -	0	81		
			1,072,779	52
TOTAL - - -			6,899,084	72

1881.

EXCHANGE AND CURRENCY.

During the year sterling fluctuated between 3 *s.* 8¼ *d.* and 3 *s.* 9¾ *d.*

Kinsatsu reached a lower point than at any previous time, being quoted at 187 for 100 dollars in March. They recovered subsequently, and at the close of the year were current at 170 to 100 dollars. The rates of exchange here depend entirely on those current at Yokohama.

JAPAN.

The excess of treasure exported over bullion and specie imported continues, and is variously estimated, by the Customs at 646,105 dollars, by the Chamber of Commerce at 1,186,100 dollars, and by Mr. Byrne at 1,165,997 dollars. The last two estimates may be relied upon as not far from the truth.

The following statement of the coins struck at the Mint during the year has been kindly placed at my disposal by the Commissioner of the Mint:—

Denomination.	Value.		
	Yen. *sen.*	*Yen.*	*sen.*
Gold:			
5 yen - - - - -	- - -	747,015	00
Silver:			
1 yen - - - - -	- - -	2,927,995	00
Copper:			
2 sen - - - - -	769,511 38		
1 „ - - - - -	161,236 12		
½ „ - - - - -	89,645 13		
		1,020,392	63
	TOTAL - - -	4,695,402	63

The total value coined is less, by more than 2,000,000 yen, than the amount coined last year, the diminution being chiefly in the coinage of silver yen.

REPORT by Acting Consul *Woolley* on the Trade of *Hiógo* and *Osaka*, for the Year 1882.

AMOUNT of Coins struck at the Mint from the 1st of January to the 31st of December 1882.

Denomination.	Value.		
	Yen. *sen.*	*Yen.*	*sen.*
Gold:			
5 yen - - - - -	- - -	565,645	00
Silver:			
1 yen - - - - -	- - -	5,090,086	00
Copper:			
2 sen - - - - -	870,543 74		
1 „ - - - - -	191,506 66		
½ „ - - - - -	132,294 88		
1 rin - - - - -	3,632 36		
		1,197,977	64
	TOTAL - - -	6,853,708	64

GENERAL REPORT by Mr. *Kennedy* on the Foreign Trade of *Japan* for the Year 1880.

TREASURE.

The Treasure Return shows a balance against Japan of 10,114,249 dollars; the amount imported having been 3,638,104 dollars, and that exported 13,752,353 dollars.

RETURN of Treasure Imported from, and Exported to, Foreign Countries during the Year 1880.

PORT.	Imported.	Exported.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
Kanagawa	1,481,981	11,312,220	12,794,201
Hiôgo and Osaka	2,026,653	2,078,877	4,105,530
Nagasaki	129,470	361,256	490,726
Hakodate	Nil	Nil.	—
Niigata	No Returns	No Returns.	—
TOTAL	3,638,104	13,752,353	17,390,457

RETURN of Treasure Imported into, and Exported from, the Port of *Kanagawa* during the Year 1881.

Imported from—	*Dollars.*	*Dollars.*
England and other countries	555,501	
Open ports in Japan	2,806,972	
Total Imported		3,362,473
Exported to—		
England and other countries	4,786,744	
Open ports in Japan	1,227,396	
Total Exported		6,014,140
Total Imported and Exported		9,376,613

RETURN of the Treasure Imported and Exported at *Nagasaki* during the Year ended 31st December 1881.

	Dollars	*c.*
Imports from foreign countries	153,920	79
Exports to foreign countries	276,429	44

ANNUAL SUMMARY by Sir *H. Parkes* of the Foreign Trade of *Japan* for the Year 1882.

The Treasure Return shows a balance of 1,523,105 dollars 10 cents in favour of Japan, a sum which falls short of the excess of exports over imports by 6,544,629 dollars 73 cents.

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RETURN of Treasure Imported from, and Exported to, Foreign Countries, during the Year 1882,

PORT.	Imported.		Exported.		TOTAL.	
	Dollars	*c.*	*Dollars*	*c.*	*Dollars*	*c.*
Kanagawa	2,073,169	96	2,440,219	74	4,513,389	70
Hiôgo and Osaka	3,987,482	61	2,119,958	99	6,107,441	60
Nagasaki	100,073	06	77,441	80	177,514	86
TOTAL	6,160,725	63	4,637,620	53	10,798,346	16

SIAM.

SIAM.

REPORT by Mr. *W. Gifford Palgrave*, Her Majesty's Agent and Consul General in *Siam*, for the Year 1880.

THE depreciation of the Siamese coinage is also a matter which, as one of the depressing influences on trade and commerce, calls for notice in the present Report. The Siamese currency is silver, its standard coin being the "tical," the value of which is fixed by royal edict at three-fifths of the Mexican dollar.

It is subdivided into fourths, also silver, called "salungs," and those again are divided into halves, also silver, called "fuangs." The coinage takes place in the mint within the walls of the Royal Palace, and the silver employed is nominally at least that of the Mexican dollar purchased for the purpose. But a progressive depreciation caused, it is conjectured, by an undue increase in the alloy of inferior metal with the silver itself, has now reached such a point that the Siamese tical, though maintained by official pressure, at its original tender value, namely, 60 cents, within Siamese territory, cannot even at the neighbouring port of Singapore command an exchange of 40 cents; that is, two-thirds of its normal rate.

FRANCE-RÉUNION.

FRANCE—RÉUNION.

REPORTS by Consul *Annesley* on the Trade and Commerce of *Réunion*.

1878.

Currency.—THE withdrawal of the coins hitherto current in this colony has caused great agitation amongst all classes of the inhabitants of Réunion.

By a decree issued from Paris, it was ordered that only French coins should be accepted as a legal tender, to the exclusion of the kreutzers and other moneys in circulation in the island.

In consequence of this monetary change, the Austrian kreutzers, which passed current at the rate of 1 franc each, fell considerably in value, but are now received in payment of Government duties at their original currency.

These kreutzers, to the amount of 814,000, were introduced into the island in the year 1859, by a Monsieur de Kervéguen, with the consent of the French Government, and they were allowed to pass current at the rate of 1 franc each, although of far less intrinsic value.

It was agreed at the time of the introduction of this Austrian coin, that they should be withdrawn when necessary at the same rate they were permitted to circulate, and the local Court of Justice has decreed that this money shall be taken up by the introducers and refunded at the rate of 1 franc per kreutzer as originally stipulated. Meanwhile, the high rate of exchange on remittances to Europe continues, and has caused a large amount of the French coin recently put in circulation to be exported to France, as this can be effected at a far less charge than by the usual mode of remittance through one of the local banks. Should this exportation continue, it is to be apprehended that a monetary crisis will ensue.

The rupees which were in circulation when the French coins were introduced are being shipped off to France by the Government, to be there recoined into French money.

The

The rate of exchange on remittances to Europe, although much reduced, continues high, and is now at from 8 to 10 per cent. premium on sight bills, whereas specie can be shipped to France by the Messageries Maritime steamers at a charge of only 2½ per cent. FRANCE–RÉUNION

1880.

The introduction of an exclusive French currency into this colony, which was effected in 1879, has proved disastrous to agricultural interests, and has resulted in no apparent benefit to the colonist. The forced lowering of the rate of exchange on remittances to France by Government Decree has caused a loss to the planters of between 16 and 18 per cent. on the sale of their crops, and it is estimated that since the circulation of this French coin they have incurred a loss of 4,000,000 francs. When the market in Europe for Réunion produce is low they are not able to dispose of their crops on the spot, as was done by them for years past when the rate of exchange was high. Purchasers of sugar, coffee, &c., are unable to pay as remunerative a price to the planters as when the high rate of exchange ruled in Réunion. The storehouses are therefore encumbered with produce waiting a favourable turn in the home market; these articles are meanwhile mortgaged to the banks at a high rate of interest.

Tradespeople have certainly derived benefit by the low rate of exchange, as they can remit money for their goods at a cheap rate; yet all articles of daily use and of luxury remain as expensive as formerly. This change of currency has proved very unfortunate for the colony, which is already suffering from its impoverished lands, and has now to bear serious additional loss in the disposal of agricultural produce. And yet the prosperity or ruin of Réunion depends upon the production of the soil. The outcry from the Chamber of Commerce and Agriculture in the colony has been great against Government interference in the commercial interests of Réunion, and the trouble and loss which has been the consequence. If an exclusive French currency was the object sought for by the Government, it would have been better attained by the coinage of a circulating medium for local use alone. Money would then remain in the colony (as did the Austrian kreutzers); coins of several denominations could then circulate freely in the island, whereas at present only pieces of 50 cents, of 1 franc, and of 2 francs are current, besides copper coins. Gold coins and 5-franc pieces (silver) are not put in circulation, from fear of their being re-exported to France. I am informed that the Bank of Réunion has in reserve upwards of 4,000,000 of money in gold and in 5-franc pieces.

The following extract from the *procés verbal* of the Chamber of Commerce of Saint Denis is to the point:—

"Notre agriculture, il faut bien le dire, s'aperçoit aujourdhui que les belles promesses qui lui avaient été faites n'ont pas été réalisées, et que, si elle n'a constaté aucune diminution appréciable dans les prix des objets de consommation, elle a eu à enrégistrer une perte, qui s'élève à plus de 4 millions de francs, sur la vente de ses deux dernières récoltes."

(No. 7—Commercial.)

Her Majesty's Consul at *Réunion* to the Secretary of State for Foreign Affairs.

My Lord Marquis, 15 November 1879.

I HAVE the honour to inform your Lordship that the French war steamer "Cher" left this colony on the 27th ultimo, bound for Point-de-Galle, having on board five millions of rupees for delivery to the Comptoir d'Escompte de Paris at Ceylon, under an arrangement between the French Government and that bank. The Messageries Maritimes steamer "Godavery" has also taken away from Réunion one million of this coin for disposal in India.

Rupees have now entirely disappeared from this colony.

The Austrian kreutzers which were withdrawn from circulation when the "demonetisation" occurred in Réunion in May last, have not yet left the St. Denis Treasury.

FRANCE-RÉUNION.

The French currency which replaced the numerous coins hitherto in circulation in Réunion is now accepted by the inhabitants of this colony without murmur; and, as the exchange on draft bills on Europe has fallen from 18 to $4\frac{1}{2}$ per cent., there is no longer any inducement to ship back to France the newly-imported coin. Réunion will, therefore, not have to suffer from the want of coinage, as it was anticipated, had the large exportation of French coin continued.

Italian money has been allowed, however, to pass current until the 1st January next under a Monetary Convention, dated 5th November 1878, between France, Belgium, Greece, Italy, and Switzerland.

Journal Officiel de la Réunion, dated 15 November 1879.

I beg to enclose the "Journal Officiel de la Réunion, containing the Décision of the Governor on this point, and containing also another Décision relative to the 'Monnaies divisionaires,'" which will remain in circulation from the 1st January next.

I have, &c.
A. A. Annesley,
Her Britannic Majesty's Consul for Réunion.

The Under Secretary of State for Foreign Affairs to the Under Secretary of State for India.

Sir, 22 May 1880.

I AM directed by the Secretary of State for Foreign Affairs to transmit to you herewith, for the information of the Marquis of Hartington, a copy of a Decree of the French Government, by which Indian rupees are provisionally accepted as legal tender at Mayotte and Nossi-bé.

I am, &c.
Charles W. Dilke.

(Enclosure.)

"Journal Officiel," 19 May 1880.

Le Président de la Republique francaise, Sur le rapport des Ministres de la Marine et des Colonies, et des Finances, Vu l'article 18 du sénatus-consulte du 3 Mai 1854.

Décrète.

Art. 1er. Les roupies d'argent, ainsi que les demis et les quarts de roupies d'argent de l'empire des Indes sont provisoirement reçues et données en payement par les comptables de deniers publics à Mayotte et à Nossi-bé.

Art. 2. Le taux auquel les roupies sont converties en monnaie francaise dans les opérations d'encaissement et de payement du Trésor est fixé à 2 fr. 15 par roupie.

Ce taux ne pourra être modifié que par décret.

Art. 3. Des arrêtés des commandants rendus en conseil privé, determineront, s'il y a lieu, le taux auquel le Trésor pourra donner ou recevoir les roupies en ce qui concerne.

1°. Les payements à faire en vertu de contrats, marchés et conventions antérieurs à la promulgation du présent décret.

2°. Les recouvrements à operer en vertu de rôles d'imposition établis, de baux et fermes consentis, ou à titre de droits et taxes constatés anterieurement à la dite promulgation.

Art. 4. Par dérogation à l'article 5 de la loi du 14 Juillet 1866, les pièces d'argent nationales de 2 fr., 1 fr., et 0 fr. 50 auront cours légal entre particuliers et dans les payements effectués par les caisses publiques, sans limitation de quantité.

Art. 5. Toutes dispositions contraires au présent décret sont abrogées.

Art. 6. Le ministre de la marine et des colonies et le ministre des finances sont chargés, chacun en ce qui le concerne de l'exécution du présent décret.

Fait à Paris, le 14 Mai 1880.

Jules Grévy,
Par le Président de la Republique.
Le Ministre des Finances,
J. Magnin.
Le Ministre de la Marine et des Colonies,
Jauréguiberry.

The Assistant Under Secretary of State for Foreign Affairs to the Under Secretary of State for India.

Sir, 25 September 1884.

I AM directed by Her Majesty's Secretary of State for Foreign Affairs to transmit to you, to be laid before Her Majesty's Secretary of State for India in Council, a French Presidential Decree fixing the legal value of the rupee in the French possessions in India, which has been received from Her Majesty's Minister at Paris.

I am, &c.
T. V. Lister.

(Enclosure.)

"Journal Officiel," 20 Septembre 1884.

Le Président de la Republique francaise Vu l'article 18 du senatus-consultus du 3 Mai 1854;
Sur le rapport des Ministres de la Marine et des Colonies, et des Finances.

Décrète.

Art 1er. A partir du 1er Janvier 1885, le taux légal à attribuer aux roupies, dans les possessions francaises de l'Inde, sera fixé d'après le cours commercial de ces monnaies dans la colonie.

Art. 2. Au mois de Novembre de chaque année, un arrêté du gouverneur, rendu en conseil privé, sur la proposition du trésorier-payeur et d'après la moyenne des cours effectifs du change pendant les douze mois précedents, determinera ce taux.

Le taux de la roupie ainsi fixé sera appliqué pendant toute la durée de l'année suivante.

Art. 3. Les arrêtés du gouverneur fixant le taux de la roupie seront immédiatement notifiés par le trésorier-payeur aux comptables sous ses ordres, et la diminution ou l'augmentation de la valeur de son encaisse et des encaisses de ses préposés, qui est, en cas de modification de taux, la conséquence du nouveau cours, est porté au débit ou au crédit du compte; Frais de négociation et de change.

Art. 4. Les dispositions qui précèdent devant être mises en vigueur à partir du 1er Janvier 1885, le taux légal de la roupie, pour cette année, sera arrêté au mois de Novembre 1884, comme il est dit a l'article 2 du present décret.

Art. 5. Les roupies continueront à être reçues et données par le tresorier-payeur et par ses préposés au cours de 2 fr. 40 pour tous les marchés, traités, baux et engagements de toute nature où la valeur de la roupie aura été fixé à 2 fr. 40 pendant toute la durée de ces marchés, baux et engagements.

Les cautionnements réalisés jusqu' au 31 Decembre 1884, inclusivement, seront également remboursés en roupies comptées a raison de 2 fr. 40 l'une.

Les bénéfices ou les pertes provenant des recettes et des depenses faites au cours de 2 fr. 40 après le 31 Decembre 1884 seront portés au compte; Frais de négociation et de change.

Art. 6. Les Ministres de la Marine et des Colonies, et des Finances sont chargés chacun en ce qui concerne, de l'exécution du présent décret, qui sera inséré au Bulletin des lois, au Bulletin Officiel de la Marine et des Colonies, et au Journal Officiel de la Republique francaise.

Fait à Mont-sous Vandrey, le 13 Septembre 1884.

Jules Grévy,
Par le Président de la Republique.

Le Vice-Amiral Ministre de la Marine et des Colonies,
A. Peyron.

Les Ministre des Finances,
P. Tirard.

PORTUGAL—MADEIRA.

PORTUGAL—MADEIRA.

REPORT by Consul *Hayward* on the Trade and Commerce of the Island of Madeira, for the Year 1879.

Currency.—The recent depreciation of silver abroad having led to large importations of Mexican dollars into Madeira, where such dollars were legally current for 1$000 reis each, and an excessive import of those dollars having become detrimental to the general commerce of this island, the Portuguese Government resolved in the year 1879 to change the currency of Madeira, and to equalise it with that of the kingdom of Portugal. That measure was effected by an enactment of the Portuguese Legislature, dated the 2nd of May 1879, in conformity with which all the various foreign coins (excepting English sovereigns and half-sovereigns) which had obtained legal circulation in Madeira were called in, and exchanged by the Government Treasury for English sovereigns at the value of 4$500 reis each, and for Portuguese silver and copper coins; and 937 reis of the new currency were paid by the Treasury for every 1$000 reis of the demonetised currency.

The period allowed for the exchange of the old for the new currency expired on the 12th of July 1879, after which date the Treasury ceased to exchange or receive any of the demonetised foreign coins.

The value of the demonetised foreign coins thus exchanged by the Treasury and exported from Madeira amounted to 1,335,299 milreis, equal to 296,733 *l.* 2 *s.* 2 *d.*

The coins now current in Madeira are—

		Reis.
Gold:		
English sovereigns, at the value of		4$500 each.
„ half-sovereigns, at the value of		2$250 „
Silver:		
Portuguese coins, namely:—		
Cinco tostões, of the value of		500 „
Dois tostões „ „		200 „
Tostão „ „		100 „
Meio tostão „ „		50 „
Copper:		
Dois vintems, of the value of		40 „
Vintem „ „		20 „
Meio vintem „ „		10 „
Cinco reis „ „		5 „
Trez reaes „ „		3 „

The following Portuguese gold coins are a legal tender here, but none of them have as yet been put into circulation, namely:—

	Reis.
Coron d'oiro, of the value of	10$000
Meia coron, of the value of	5$000
Quinto de coron, of the value of	2$000
Decimo de coron, of the value of	1$000

Great inconvenience and discontent have resulted in this change of currency from a great scarcity of small silver change in circulation, and from difficulties in re-adjusting prices.

I estimate that at one time recently not less than 100,000 *l.* worth of English silver coins was in legal circulation in this island; but in consequence of the importations of Mexican dollars, which I have mentioned, the greater part of that amount of English silver was gradually exported to England by merchants as a favourable means of remittance, while the remainder, which the Portuguese Treasury exchanged in 1879, amounted to about 30,700 *l.*

Since the commencement of the new legal currency, on the 12th of July 1879, the scarcity of small silver change has become more and more of a general impediment

impediment to retail trade. The various municipalities including those in the remotest parts of the island, are petitioning the Government in Lisbon to affix legal values to foreign silver coins; and, to speak solely with reference to English silver, I am of opinion that the legalisation at the rate of 220 reis per shilling would be not only a great convenience to British mariners and British travellers resorting to this port of Funchal, but would be a still more important advantage to many small industries of the island, which much depend upon the monies spent by travellers *in transitu*. At the rate above mentioned, English silver would neither supplant the Portuguese silver, nor would any great amount of it accumulate in this island.

PORTUGAL—MADEIRA.

PORTUGAL—MOZAMBIQUE.

PORTUGAL—MOZAMBIQUE.

Her Majesty's Consul at Mozambique to the Secretary of State for Foreign Affairs.

My Lord, 22 February 1881.

I HAVE the honour to forward the enclosed petition for your Lordship's consideration. It has been signed by all the houses of British Indian Traders, with, I think, but two exceptions, in the place. The following facts may serve to explain the case. *Enclosure I.*

For many years past the rupee has been the chief currency in this province. This has arisen from an insufficiency of Portuguese silver to meet the requirements of commerce, and, the rupee being the coin of Zanzibar and Bombay, with which two places the larger proportion of the trade of Mozambique is carried on, it has naturally come to supply that deficiency. It is now widely distributed on the coast, and is invariably accepted by all coast traders. Its value, relatively with Portuguese paper money, has ranged, in downward progression, as the supply of the rupee increased with the development of trade, from 450 to 400 reis. The great development of trade (last year nearly 20 per cent. above the previous), and the corresponding influx of rupees, has further disarranged the respective value of the rupee and paper, and lowered the value of the rupee to a point at which it will not be worth the while of the trader to import it.

When this became the case, a meeting of merchants was held, and the local government was requested, by a deputation of them, to admit the rupee into the authorised currency of the place, and accept it as legal tender. Paper money only was accepted in the public departments (practically, it is the only Portuguese money in circulation, for the amount of Portuguese silver is very small), and paper could only be procured at a loss. This request was refused, and the custom house became blocked with goods, which the trader was unable to clear for want of legal tender to pay the duties upon them. Trade, merchants, and revenue, equally suffered. The petitioners ask that a reasonable value be placed upon the rupee, and that it may be admitted as authorised currency. They argue that it has been for long practically the currency of the place, that it is the coin best known and most readily accepted by the natives on the coast, and that it possesses the advantage of being the regular currency of Zanzibar and Bombay, with which Mozambique is most intimately connected in trade.

If it were a question of rejecting a foreign coin in favour of a national one, it would be easy to understand the objection raised to the admission of the rupee; but it is not so. It was proposed that merchants should import the Maria Teresa (Austrian) dollar, which in 1864 was declared legal tender. This alternative was accepted, but, a month after, the value of the Maria Teresa dollar was lowered from 920 reis (the value formerly fixed upon it) to 860 reis, at which the traders cannot import it without a loss, and they have been therefore

PORTUGAL—MOZAMBIQUE.

left in much the same condition as before. This has decided the commercial houses of the place to make a further effort for the admission of the rupee, and consequently this petition from the British Indian subjects of the place has been sent in to me.

The policy pursued by the local government upon this point is very difficult to understand. There is no doubt the acceptance, as legal tender, of what is practically the current coin, would greatly facilitate the movements of trade, and, by removing a vexatious obstacle, would assist its development and help to increase a sadly impoverished revenue.

The growth of trade promises to be further retarded by the orders that have just been received from Lisbon to levy an *ad valorem* duty of 3 per cent. on all imports, and 1 per cent. on all exports, in addition to the duties leviable by the tariff of 1877. Also a number of articles formerly entirely free are now subject to this duty. This retrograde step is taken in spite of the favourable result of the trial of the more liberal tariff of 1877 during the past three years. As the request contained in this petition appears to me a reasonable one, and as the signatures upon it represent at least three-fourths of the whole trade of the place, I feel it my duty to forward it, and trust it may meet with your Lordship's favourable consideration.

I have, &c.
Henry E. O'Neill,
Her Majesty's Consul

(Enclosure.)

Captain Henry E. O'Neill, R.N., Her Britannic Majesty's Consul, Mozambique.

The humble petition of the undersigned merchants showeth,—

(1.) That they are the principal importers and exporters, vide Estatistica da Alfandiga, 1876-77, being the last published.

(2.) That by Portuguese regulations only the Portuguese paper money, Portuguese coin, and other coin sanctioned by law, are received in payment of Custom House duty.

(3.) That, these moneys being inadequate, for such requirements, your petitioners are put to great loss through inability to clear their goods.

(4.) That they are in possession of another coin, the rupees of India, which is altogether used for trade, and that in their distress they offered to pay their duty with the coin, but the Government will not accept it, unless at a value which it would be ruinous to accept, namely 375 reices.

(5.) The Portuguese Government has arrived at this value in the following manner, viz., taking the sovereign at its value according to law, reices 4,500, and assuming the value of rupees 12 per £., they conclude that each rupee is worth 375 reices.

(6.) That the value given to the sovereign does not represent its actual value, but that the actual value of the coin is reices 4,800, and that, taking their estimate as correct for the rupee and sovereign, the actual value of the rupee is 400 reices.

(7.) Your petitioners' prayer is that this representation, along with your own remarks, be forwarded to the Home Government for its consideration, and with a view to equitable settlement of the question between Governments of both countries.

And your petitioners will ever pray.

Mozambique, 21 February 1881.

[Here follow signatures in Portuguese character.]

Her Majesty's Chargé d'Affaires at Lisbon to the Secretary of State for Foreign Affairs.

My Lord, 6 June 1881.

WITH reference to your Lordship's Despatch (Slave Trade, No. 31) of the 17th ultimo, addressed to Mr. Morier, I have the honour to transmit the enclosed copy of a note, which, in compliance with your Lordship's instructions, I addressed to Snr. H. Ribeiro, recommending to the favourable consideration of the Portuguese Government the question of the admission of the rupee as a legal tender throughout the Province of Mozambique.

I have, &c.
Dudley E. Saurin.

(Enclosure.)

British Legation, Lisbon.

M. le Ministre, 1 June 1881.

HER Majesty's Consul at Mozambique having reported that the regulations in force in that Colony with respect to the currency are not only, in his opinion, detrimental to its interests, but inflict special hardship upon the trading community, three-fourths of whom are British Indian subjects, Lord Granville has instructed me to bring the following facts, as stated by Her Majesty's Consul, to your Excellency's knowledge.

It would appear that the legal currency consists of Portuguese paper money and coins, together with such foreign coins as are sanctioned by law, and that these alone can be tendered legally when payments are made to Government Departments; that the rupee, a coin which is practically the current coin for all mercantile transactions, being the coin of Zanzibar and Bombay, and invariably accepted by all coast traders, is one not sanctioned by law, and consequently, not accepted by Government except at an arbitrary rate; that this rate has now been fixed by the Local Government at 375 reis per rupee, while the market price has during the last few years ranged downwards from 450 to 400 reis; that consequently the supply of Portuguese currency being totally inadequate, traders have been unable to clear their goods, which are accumulating in the Custom House, to the loss of the traders and the detriment of revenue. An attempt was made to meet the difficulty by the importation of the Maria Teresa dollar, which was in 1864 declared a legal tender, but this had to be given up owing to the action of the Government, which at once lowered the rate at which they would accept the dollar from 920 reis to 860.

The wish of the commercial houses at Mozambique would be to see the rupee recognised as a legal tender at a price corresponding to that of the market, and consequently enabling them to import it without loss.

In bringing these facts to your Excellency's notice, I venture to express the hope that the Government of H.M.F.M. will appreciate the intentions of Her Majesty's Government in directing their attention to what is likely to prove a stumbling-block to the growing prosperity of the Colony, which has made such strides during the three last years since the introduction of the liberal tariff of 1877.

I avail, &c.
D. E. Saurin.

Monsieur Hutze Ribeiro.

The Under Secretary of State for Foreign Affairs to the Under Secretary of State for India.

Sir, 1 August 1881.

WITH reference to your letter of the 30th of April, I am directed by Earl Granville to transmit to you, for the information of the Secretary of State for India in Council, a translation of a note from the Portuguese Government regarding the admission of the rupee as a legal tender in Mozambique.

I am, &c.
Julian Pauncefote.

PORTUGAL—MOZAMBIQUE.

(Enclosure.)

(Translation.)

Sir, Lisbon, 19 July 1881.

IN reply to the note which you did me the honour to adddress to me on the 1st of June last, acquainting me with the difficulties which are caused to trade in consequence of the regulations in force in the province of Mozambique with respect to the currency, I have to state to you that the currency is regulated in accordance with the provisions of the law of 29th July 1854, which fixes the standard—toque—for silver coins at 916⅔ per 1,000, and the value of 200 reis = 10·66 *d.* per 5 grammes of silver, with an allowance of 3 per 1,000 in the weight, and of 2 per 1,000 in the standard.

Foreign coins are received into the public coffers under these conditions. Private individuals and the market are, however, at liberty to value the same at their own convenience.

Nevertheless H. M. F. M. Government have thought it their duty to communicate your note to the Governor General of Mozambique, calling his attention to the matter, and especially to the official admission of the Indian rupee as a current coin.

The Government will therefore await the report of that officer before taking any further decision in this matter, with which I shall not fail in due time to acquaint you.

I avail, &c.
E. R. H. Ribeiro.

D. E. Saurin, Esq.,
&c. &c. &c.

Her Majesty's Consul at Mozambique to the Secretary of State for Foreign Affairs.

My Lord, Mozambique, 13 June 1882.

WITH reference to the subject of my Despatch, Commercial No. 2, of 22nd February 1881, I have the honour to report that the rupee has at length been admitted into the recognised currency of the province, but under such conditions as to render it of little or no benefit to commerce.

I enclose herewith the Partaria, or provincial law, announcing the admission.

Its relative value with Portuguese money is fixed at the low rate of 380 reis. Its present current value in Mozambique is 395 reis.

It is difficult to discover the basis upon which this computation of 380 reis as a fair value for the rupee has been made; but I am told that the value of the sovereign has been assumed to be 4,500 reis, and that, 2½ per cent. being added to cover insurance and commission, it is concluded that 12 rupees (the price of the English sovereign in Bombay and Zanzibar) may be imported into this province at 4,600 reis.

This, divided by 12, will give the value fixed, viz., 380 reis.

But, though the sovereign is quoted at Lisbon at 4,500, at most places its value is much greater, more generally averaging 4,800, and even at Lisbon, I am informed, it could not be bought in quantities at the official current rate.

It may, I think, be said without fear of contradiction, that, whilst the exchange in India remains at, or near its present value, and when freight and insurance are taken into consideration, the rupee cannot be imported into the province at less than 390 reis, and at a lower rate, therefore, than this, cannot be parted with without loss.

It is officially stated that it was necessary to fix the rupee at such a rate as to prevent speculation in its introduction.

If this Partaria could have the effect of bringing the value of the rupee down to the rate at which it fixes it, there would certainly be no possibility of speculation in its introduction, for no one could then think of importing it. This, however, might have been sufficiently provided against, had the rupee been given a higher and fairer value.

And it appears to have altogether escaped the notice of the framers of this edict, that, if the rupee ever descends to the value at which they have fixed it, an outlet is opened for speculation in the Maria Teresa dollar, which is the coin that next to the rupee has the largest circulation in this province.

This

This coin has for long formed part of the recognised currency of Mozambique. It may now be bought in Bombay, Aden, and Zanzibar for a rate varying from 212 to 213 rupees for 100 dollars. This admits of its being imported into the province at 820 reis per dollar, freight and insurance paid. So that the rupee (were it to reach the law value of 380 reis) might at this rate be exported and the Maria Teresa imported, and a handsome profit realised, whilst the latter continues to be received at 860 reis.

The practical effect of this Partaria will probably be nil. The rupee will continue to be the chief currency of the province, and customs duties and other taxation will, as heretofore, be paid in Portuguese money, and the paper of the "Banco Ultramarino" of the colony.

It is not improbable that one of the objects kept in view in fixing the value of the rupee at this low rate, has been the protection of the paper of this bank.

Outside the Portuguese settlements of the coast and Zambesi this paper does not circulate, and, were the rupee admitted into the recognised currency at such a rate as to allow of its being made use of for the payment of customs' dues, &c., although commerce would be benefited, the bank would receive a severe blow, for the circulation of its paper would at once diminish.

This legislation cannot therefore be said to have remedied the grievance set forth in the petition I forwarded to your Lordship in my Despatch of 22nd February of last year, for, though officially recognised, the rupee cannot be used, without loss, as legal tender in the province.

I have also to report that the value of the Mexican dollar has, at the same time, been fixed at 860 reis, being a reduction of 60 reis upon its former recognised value. The reason given for this is, that the intrinsic value of this coin has decreased since the year 1852, when it was first declared legal tender, and its relative value fixed at 920 reis.

I may add here that the intrinsic value of the rupee compares very favourably with the Portuguese silver currency.

The weight of the rupee is 180 grains, standard 91,667. That of the 500 reis piece is 192·9 grains, standard 91·7. Assuming the standard to be the same, a simple proportion gives the value of the rupee, relatively, with the value of the 500 reis piece, to be 466 reis.

I have, &c.
Henry E. O'Neill,
Her Majesty's Consul.

(Enclosure.)

Partaria or Provincial Law admitting the Rupee into the recognised Currency.

(No. 176.)

Mozambique, 10 June 1882.

As the rupee is generally accepted by commerce in India, in Aden, in Zanzibar, in the Red Sea, and also in this province, and as I have been authorised by the Government, in a letter of the 28th March last, to do with this coin as circumstances should make it advisable, taking care to prevent any speculation in its introduction,—

Considering that the rupee already circulates in the province, and that, considering the scarcity of Portuguese coin, no inconvenience results from its circulation:

Having heard the opinion of the "Council of the Government," and agreeing with its opinion;

It is hereby decreed that the circulation of the rupee is permitted at a value of 380 reis.

To the Authorities and all others whom it may concern.

The Palace of the Governor General of the Province of Mozambique, 10th June 1882.

Agistinto Coelto,
Governor General.

PORTUGAL—MOZAMBIQUE.

Her Majesty's Consul at Mozambique, to the Secretary of State for Foreign Affiairs.

My Lord, Mozambique, 2 September 1882.

I HAVE the honour to enclose, for your Lordship's perusal, copy of a petition sent to the King of Portugal, and signed by a majority of the European and British Indian merchants of this town, complaining of the low rate at which the rupee has been admitted into the legal currency of this Province, and praying that it may be given a fair relative value.

There is nothing new in this document, and it only repeats what I have already stated in No. 35 S. T. of 13th June last.

It was drawn up by Senhor Joaquim d'a de Cunha, the Secretary General of the Province, who has received 10 *l.* for the task.

I have, &c.
Henry G. O'Neill,
Her Majesty's Consul.

COLONIES.

COLONIES.

DIGEST of the STATISTICS of Victoria, by *Henry Heylyn Hayter*, Government Statist.

VICTORIA.

1879.

THE estimated quantity of gold raised in Victoria during 1879 was 758,947 ozs., which, at 4 *l.* per oz., is equivalent to a total value of 3,035,788 *l.*

The following figures give an estimate of the quantity of gold raised in 1870 and each subsequent year. It will be seen that since 1871 the yield of gold has been steadily decreasing:—

ESTIMATED Quantity of Gold raised, 1870 to 1879.

	Ozs.		*Ozs.*
1870	1,222,798	1875	1,095,787
1871	1,355,477	1876	963,760
1872	1,282,521	1877	809,653
1873	1,241,205	1878	775,272
1874	1,155,972	1879	758,947

Carrying on to the end of 1879 the calculations given in previous years, the following may be estimated as the total quantity and value of the gold raised in Victoria, from the period of its first discovery in 1851. These figures give an average per annum during the whole period of about 1,683,000 ozs., which is much more than twice the quantity in 1879:—

ESTIMATED

ESTIMATED Total Quantity and Value of Gold raised in Victoria, 1851 to 1879.

Gold raised in Victoria.	Estimated Quantity.	Estimated Value at 4 *l.* per Oz.
	Ozs.	£.
Prior to 1879 - - - -	48,058,649	192,234,596
During 1879 - - - -	758,947	3,035,788
TOTAL - - -	48,817,596	195,270,384

The quantity of gold raised in all the Australasian Colonies since deposits of that metal were first discovered in 1851, is estimated to have amounted to 69 million ounces, valued at 271 million pounds sterling. The following table, which is now given for the first time, contains particulars for each colony to the end of 1878, and of that raised during 1878. Western Australia is absent from the list, since little, if any, gold has yet been discovered there :—

PRODUCE of Gold in Australasian Colonies.

COLONY.	GOLD PRODUCED.					
	Prior to 1878.		During 1878.		TOTAL.	
	Estimated Quantity.	Value.	Estimated Quantity.	Value.	Estimated Quantity.	Value.
	Ozs.	£.	*Ozs.*	£.	*Ozs.*	£.
Victoria - - - - -	47,283,377	189,133,508	775,272	3,101,088	48,058,649	192,234,596
New South Wales - - -	8,693,368	32,193,191	117,978	423,184	8,811,346	32,616,375
Queensland - - - -	2,617,500	9,675,419	283,592	1,052,490	2,901,092	10,727,909
South Australia - - -	46,356	184,767	10,747	42,650	57,103	227,417
TOTAL of Australia -	58,640,601	231,186,885	1,187,589	4,619,412	59,828,190	235,806,297
Tasmania - - - -	45,751	180,600	25,249	100,000	71,000	280,600
New Zealand - - - -	8,648,996	33,765,194	310,486	1,240,079	8,959,482	35,005,273
TOTAL of Australasia -	67,335,348	265,132,679	1,523,324	5,959,491	68,858,672	271,092,170

1880.

The quantity of gold raised in Victoria in 1880, and its value at 4 *l.* per oz., are compared in the following table with the quantity and assumed value of the gold raised in 1879 :—

QUANTITY and Value of Gold raised in 1879 and 1880.

YEAR.	Gold raised in Victoria.	
	Estimated Quantity.	Estimated Value at 4 *l.* per Oz.
	Ozs.	£.
1879 - - - - - -	758,947	3,035,788
1880 - - - - - -	829,121	3,316,484
Increase - - -	70,174	280,696

COLONIES.

Until 1879 the quantity of gold raised from year to year had been steadily diminishing, but a revival took place in 1880, the yield of gold in that year being above that in any other since 1876. The excess over the yield in 1879 was 70,000 ozs., valued at 280,000 *l.* The following figures give an estimate of the quantity of gold raised in 1870, and each subsequent year:—

ESTIMATED Quantity of Gold raised, 1870 to 1880.

	Ozs.		*Ozs.*
1870	1,222,798	1876	963,760
1871	1,355,477	1877	809,653
1872	1,282,521	1878	775,272
1873	1,241,205	1879	758,947
1874	1,155,972	1880	829,121
1875	1,095,787		

Carrying on to the end of 1880 the calculations given in previous years, the following may be estimated as the total quantity and value of the gold raised in Victoria from the period of its first discovery in 1851. These figures give an average per annum during the whole period of about 1,654,891 ozs., which is nearly twice the quantity raised in 1880:—

ESTIMATED Total Quantity and Value of Gold raised in Victoria, 1851 to 1880.

Gold raised in Victoria.	Estimated Quantity.	Estimated Value at 4 *l.* per Oz.
	Ozs.	£.
Prior to 1880	48,817,596	195,270,384
During 1880	829,121	3,316,484
TOTAL	49,646,717	198,586,868

1881.

The following table shows the quantity and value of the gold raised in Victoria in the last two years:—

QUANTITY and Value of Gold raised in 1880 and 1881.

YEAR.	Gold raised in Victoria.	
	Estimated Quantity.	Value at 4 *l.* per Oz.
	Ozs.	£.
1880	829,121	3,316,484
1881	858,850	3,435,400
Increase	29,729	118,916

Carrying

COLONIES.

Carrying on to the end of 1881 the calculations given in previous years, the following may be estimated as the total quantity and value of the gold raised in Victoria from the period of its first discovery in 1851. These figures give an average per annum during the whole period of about 1,629,212 ounces, which is nearly twice the quantity raised in 1881 :—

ESTIMATED Total Quantity and Value of Gold raised in Victoria, 1851 to 1881.

Gold raised in Victoria.	Estimated Quantity.	Value at 4 *l.* per Oz.
	Ozs.	£.
Prior to 1881 - - - - -	49,646,717	198,586,868
During 1881 - - - - -	858,850	3,435,400
TOTAL - - -	50,505,567	202,022,268

1882.

Imports, 1882.		Exports, 1882.	
	£.		£.
Gold (exclusive of specie) - -	577,075	Gold (exclusive of specie) - -	1,497,116
Specie, gold - - - - -	82,587	Specie, gold - - - -	2,208,221
Specie, other - - - -	69,424	Specie, silver - - - -	8,007
TOTAL - - - £.	729,086	TOTAL - - - £.	3,713,344

The gold raised in Victoria during 1882 amounted to 894,487 ounces, as against 858,850 ounces in the previous year. Since the first discovery of the Victorian gold-fields, in the middle of 1851, the total quantity of gold recorded as having been raised therefrom is 51,400,054 ounces, of an aggregate value, at 4 *l.* per ounce, of 205,600,216 *l.* These figures give an average per annum during the period of about 1,600,000 ounces, which is nearly twice the quantity raised in 1882.

STATISTICAL REGISTER of New South Wales, 1879, by *Edward Grant Ward*, Registrar General.

The quantity of gold sent by escort from the several gold-fields of the colony to the mint for coinage during the year 1879 was 70,675 ounces, valued at 264,018 *l.* The western gold-fields supplied 46,378 ounces, the southern 18,714 ounces, and the northern 5,586 ounces. As compared with the previous year, we find a decrease of 4,818 ounces on the total quantity. The total quantity of gold received for coinage amounted to 106,900 ounces, of the value of 396,353 *l.*

COLONIES.

DIGEST of the STATISTICS of Tasmania, 1879, by *E. C. Nowell*, Government Statist.

EXPORT of GOLD.

Year.	Quantity.	Value.
	Ozs.	£.
1876 - - - - - -	10,278	41,861
1877 - - - - - -	6,729	26,904
1878 - - - - - -	15,305	59,124
1879 - - - - - -	38,895	145,723

In regard to gold it should be observed that the real quantity exported is very much greater than that which appears in the Customs returns, since large parcels are frequently sent to Melbourne by private hand of which no record can be made.

STATISTICS for Tasmania for 1882, by *Robert M. Johnston*, Government Statistician and General Registrar.

The following is an abstract of the results of gold-mining during the last decade:—

Year.	Quantity.	Value.
	Ozs.	£.
1873 - - - - -	4,661	18,390
1874 - - - - -	4,651	18,491
1875 - - - - -	3,010	11,982
1876 - - - - -	11,107	44,923
1877 - - - - -	5,777	23,289
1878 - - - - -	25,249	100,000
1879 - - - - -	60,155	230,895
1880 - - - - -	52,595	201,297
1881 - - - - -	56,693	216,901
1882 - - - - -	49,122	187,337

Compared with the previous year, it would appear that, although the number of persons employed in gold mining during 1882 is greater by 305, and the approximate value of mining plant greater by 26,000 *l.*, yet the yield has declined 7,571 ounces, and the estimated value has declined 29,564 *l.* Mr. W. Glover, Commissioner of Gold-fields, in his report, however, draws particular attention to the impossibility of obtaining anything approaching a complete account of the produce of gold from the alluvial workings. Miners in isolated, good-paying workings have many reasons for withholding information respecting their earnings, or the real value of their claims, and a reference to the nominal exports is not of much value in arriving at an exact estimate of the gold produce, as it is stated that a considerable quantity in the possession of travelling miners and others finds its way to other places without being recorded in any way.

STATISTICS of New Zealand, 1880, by *Wm. R. E. Brown*, Registrar General.

Gold Exported.

The value of the gold exported from New Zealand in 1880 was 1,220,263 *l.*, against 1,134,641 *l.* in 1879, an increase of 85,622 *l.*; the amount entered for duty was 1,227,252 *l.* The following table shows the increase or decrease of the amounts entered for duty for exportation in the districts mentioned: —

VALUE of Gold Entered for Duty on Exportation in 1879 and 1880, respectively.

	1879.	1880.	Increase.
	£.	£.	£.
Produce of the gold-fields in the district of Auckland - - - - - - - -	154,295	176,416	22,121
Produce of the gold-fields in the district of Marlborough - - - - - - - -	3,460	5,650	2,190
Produce of the gold-fields in the districts of Nelson and Westland - - - - -	582,485	587,481	4,996
Produce of the gold-fields in the district of Otago - - - - - - - - -	407,868	457,705	49,837
TOTAL - - - £.	1,148,108	1,227,252	79,144

The total amount of gold entered for duty on exportation from New Zealand to the 31st December 1880 amounted to 37,380,633 *l.*

WORLD'S PRODUCTION OF GOLD AND SILVER, 1876–83.

(Calendar Years except for UNITED STATES and JAPAN.)

COUNTRIES.	1876. (Figures incomplete.)				1877.			
	GOLD.		SILVER.		GOLD.		SILVER.	
	Kilos.	*Dollars.*	*Kilos.*	*Dollars.*	*Kilos.*	*Dollars.*	*Kilos.*	*Dollars.*
UNITED STATES	(z) 60,060	(u) 39,929,166	- -	(u) 38,783,016	70,565	(u)46,897,390	957,321	39,793,573
RUSSIA	(z) 33,554	(u) 22,300,000	- -	- -	40,967	27,226,668	11,255	467,844
AUSTRALIA	(z) 42,159	(u) 28,000,000	- -	- -	43,663	(u)29,018,223	- -	- -
MEXICO	- -	- -	- -	- -	(w) 1,500	996,898	(w) 650,000	27,018,940
GERMANY	(u) 281	(y) 186,672	(u) 139,778	(y) 5,811,662	(u) 308	204,697	(u) 147,612	6,135,877
AUSTRIA-HUNGARY	- -	- -	- -	- -	(v) 1,800	1,196,278	(v) 51,000	2,119,948
SWEDEN	(u) 6	- -	(u) 797	- -	(v) 4	2,658	1,300	54,038
NORWAY	- -	- -	(u) 4,067	- -	- - -	- -	4,524	188,052
ITALY	- -	- -	- -	- -	109	72,375	432	17,949
SPAIN	- -	- -	- -	- -	Rest of Europe. -	- -	(x) 50,000	2,078,380
TURKEY	- -	- -	- -	- -				
ARGENTINE REPUBLIC	- -	- -	- -	- -	(v) 118	(v) 78,546	(v) 10,109	(v) 420,225
COLOMBIA	- -	- -	- -	- -	6,019	4,000,000	24,057	1,000,000
BOLIVIA	- -	- -	- -	- -	Rest of South America. (x)3,000	1,993,800	(x) 250,000	1,039,190
CHILI	- -	- -	- -	- -				
BRAZIL	- -	- -	- -	- -				
JAPAN	- -	- -	- -	- -	(v) 400	265,840	(v) 17,000	706,649
AFRICA	- -	- -	- -	- -	(x) 3,000	1,993,800	- -	- -
VENEZUELA	- -	- -	- -	- -	Included in rest of South America, above.		- -	
CANADA	- -	- -	- -	- -	- - -	- -	- -	- -
FRANCE	—	—	—	—	—	—	—	—
TOTAL	(h) 171,700	(y)113,911,820	(k) 2,365,000	(y) 98,331,497	171,453	113,947,173	2,174,610	81,040,665

COUNTRIES.	1880.				1881.			
	GOLD.		SILVER.		GOLD.		SILVER.	
	Kilos.	*Dollars.*	*Kilos.*	*Dollars.*	*Kilos.*	*Dollars.*	*Kilos.*	*Dollars.*
UNITED STATES	54,168	36,000,000	942,987	39,200,000	52,212	34,700,000	1,034,649	43,000,000
RUSSIA	(b) 42,960	28,551,028	(b) 11,391	473,519	36,671	24,371,343	7,992	332,198
AUSTRALIA	43,282	28,765,000	5,465	227,125	(e)46,178	30,690,000	(f) 3,970	164,983
MEXICO	(h) 1,488	989,160	(h) 605,469	25,167,763	(j) 1,292	858,909	(j) 665,918	27,675,540
GERMANY	(m) 350	232,610	(k) 186,011	7,730,617	(n) 350	232,610	(k) 186,990	7,771,304
AUSTRIA-HUNGARY	1,647	1,094,596	48,000	1,994,880	1,867	1,240,808	31,359	1,303,280
SWEDEN	5	3,323	1,312	54,527	1	665	1,176	48,875
NORWAY	- -	- -	4,436	184,360	- - -	- -	4,812	199,987
ITALY	(p) 109	72,375	(p) 432	17,949	(p) 109	72,375	(p) 432	17,949
SPAIN	- -	- -	74,500	3,096,220	- - -	- -	(n) 74,500	3,096,220
TURKEY	7	4,918	1,719	71,441	7	4,918	1,719	71,441
ARGENTINE REPUBLIC	(q) 118	78,546	(q) 10,109	420,225	(q) 118	78,546	(q) 10,109	420,225
COLOMBIA	(q) 6,019	4,000.000	(q) 24,057	1,000,000	(q) 6,019	4,000,000	(q) 24,057	1,000,000
BOLIVIA	(r) 109	72,345	(r) 264,677	11,000,000	109	72,375	264,677	11,000,000
CHILI	(r) 194	128,869	(r) 122,275	5,081,747	194	128,869	122,275	5,081,747
BRAZIL	1,345	893,887	- -	- -	1,116	741,694	- -	- -
JAPAN	(q) 702	466,548	(q) 22,460	916,400	(q) 702	466,548	(q) 22,046	916,400
AFRICA	(k) 3,000	1,993,800	- -	- -	(k) 3,000	1,993,800	- -	- -
VENEZUELA	3,423	2,274,692	- -	- -	(n) 3,423	2,274,692	- -	- -
CANADA	1,226	815,089	1,641	68,205	1,648	1,094,926	1,641	68,205
FRANCE	- -	- -	- -	- -	- - -	- -	- -	- -
TOTAL	160,152	106,436,786	2,326,941	96,704,978	155,016	103,023,078	2,458,322	102,168,354

(a) Official estimate "L'Economiste Français," July 1881, p. 112.
(b) Estimated the same as 1879.
(c) Estimated the same as official statement for 1882.
(d) Estimated the same as 1880.
(e) Official for Victoria and New South Wales, with estimated production of the other provinces.
(f) The mean of the official production for 1880 and 1882.
(g) Amount parted from deposits at the Sidney and Melbourne Mints.
(h) Estimated same as for 1879, which was furnished by the Mexican Minister.
(j) Coinage and export of bullion from official data.
(k) Estimated by Dr. A. Soetbeer.
(l) From total production, 17 % of gold and 25 % of silver deducted for foreign ores.
(m) From official total production, 17 % deducted for foreign ore.
(n) Estimated same as official statement for 1880.
(o) Official for Hungary, with former annual official production for Austria added.
(p) Estimated the same as official statement for 1877.

WORLD'S PRODUCTION OF GOLD AND SILVER, 1876-83.

(Calendar Years except for UNITED STATES and JAPAN.)

1878.				1879.			
GOLD.		SILVER.		GOLD.		SILVER.	
Kilos.	*Dollars.*	*Kilos.*	*Dollars.*	*Kilos.*	*Dollars.*	*Kilos.*	*Dollars.*
77,048	51,206,360	1,089,343	45,281,385	58,531	38,899,858	981,825	40,812,132
(a) 42,127	27,997,889	(a) 11,423	474,876	(a) 42,960	28,551,028	(a) 11,391	473,519
(t) 43,663	29,018,223	- - -	- - -	(d) 43,282	28,765,000	(d) 5,465	227,125
(t) 1,500	999,898	(t) 650,000	27,018,940	1,488	989,160	605,469	25,167,763
(k) (t) 313	208,019	(k) (l) 125,745	5,227,219	(k) (l) 388	257,865	(k) (l) 134,007	5,570,380
1,824	1,222,230	48,662	2,022,879	1,598	1,062,031	48,180	2,002,727
9	6,001	1,268	52,708	3	1,994	1,502	62,435
- - -	- - -	(t) 4,000	166,270	- - -	- - -	(d) 4,436	184,360
(p) 109	72,375	(p) 432	17,949	(p) 109	72,375	(p) 432	17,949
Rest of Europe. -	- - -	(t) 50,000	2,078,380	- - -	- - -	(d) 74,500	3,096,220
				(d) 7	4,918	(b) 1,719	71,441
(t) 118	78,546	(t) 10,109	420,225	118	78,546	10,109	420,225
6,019	4,000,000	24,057	1,000,000	6,019	4,000,000	24,057	1,000,000
				(r) 109	72,345	(r) 264,677	11,000,000
Rest of South America. (t) 259	172,135	(k) 250,000	10,392,500	(r) 194	128,869	(r) 122,275	5,081,747
				1,510	1,003,546	—	—
445	295,746	17,594	728,846	702	466,548	22,046	916,400
(k) 3,000	1,993,800	- - -	- - -	(k) 3,000	1,993,800	—	—
2,741	1,821,564	- - -	- - -	2,431	1,615,835	—	—
- - -	- - -	- - -	- - -	(d) 1,226	815,089	(d) 1,641	68,205
—	—	—	—	—	—	—	—
179,175	119,092,786	2,282,573	94,882,177	163,675	108,778,807	2,313,731	96,172,628

1882.				1883.			
GOLD.		SILVER.		GOLD.		SILVER.	
Kilos.	*Dollars.*	*Kilos.*	*Dollars.*	*Kilos.*	*Dollars.*	*Kilos.*	*Dollars.*
48,902	32,500,000	1,126,083	46,800,000	45,140	30,000,000	1,111,457	46,200,000
35,913	23,867,935	7,781	323,427	(c) 35,913	23,867,935	(c) 7,781	323,427
43,550	28,943,217	2,475	102,878	(e) 39,873	26,500,000	(g) 1,924	80,000
1,409	936,223	703,508	29,237,798	1,438	955,639	711,347	29,568,576
376	249,890	214,982	8,934,652	457	303,722	230,694	9,589,300
(o) 1,580	1,050,068	(o) 47,118	1,958,224	1,638	1,088,615	48,708	2,024,645
17	11,298	1,500	62,350	37	24,590	1,583	65,800
- - -	- - -	5,893	244,954	- - -	- - -	5,645	234,645
(p) 109	72,375	(p) 432	17,949	(p) 109	72,375	(p) 432	17,949
- - -	- - -	(n) 74,500	3,096,220	- - -	- - -	(n) 74,500	3,096,220
10	6,646	2,164	89,916	(c) 10	6,646	(c) 2,164	89,916
(q) 118	78,546	(q) 10,109	420,225	(q) 118	78,546	(q) 10,109	420,225
5,802	3,856,000	18,283	760,000	(c) 5,802	3,856,000	(c) 18,283	760,000
(r) 109	72,375	(r) 264,677	11,000,000	(r) 109	72,375	384,923	16,000,000
245	163,000	128,106	5,325,000	(c) 245	163,000	(c) 128,106	5,325,000
(r) 1,116	741,694	- - -	- - -	952	632,520	—	—
(q) 702	466,548	(q) 22,046	916,400	181	120,080	8,488	353,825
(k) 3,000	1,993,800	- - -	- - -	(k) 3,000	1,993,800	—	—
3,904	2,595,077	- - -	- - -	(s) 5,022	3,338,058	—	—
(r) 1,648	1,094,926	(r) 1,641	68,205	1,435	954,000	(r) 1,641	68,205
- - -	- - -	14,291	594,053	—	—	—	—
148,510	98,699,618	2,645,589	109,952,251	141,479	94,027,901	2,747,785	114,217,733

(q) Estimated the same as official statement for 1879.
(r) Estimated the same as 1881 (official statement for 1881).
(s) Report of Consul Dalton, Consular Reports for May 1884, page 394.
(t) Estimated.
(u) Report of the Director of the American Mint for 1879.
(v) Estimated from production of other years.
(w) Estimated from amounts deposited at its mints.
(x) Estimated from Dr. Soetbeer's average for 1875.
(y) Obtained by multiplying kilos. of gold by 664·6, and kilos. of silver by 41·5778.
(z) Obtained by dividing dollars by 664·6 for gold, and by 41·5778 for silver.

RETURN.

EAST INDIA
(SILVER QUESTION).

00108689

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15 *June* 1885.

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